IN THE CIRCUIT COURT FOR THE CITY OF RICHMOND
John Marshall Courts Building

COMMONWEALTH OF VIRGINIA
ex rel. INTEGRA REC LLC,

Plaintiff,

v. Case No.: CL14-399

BARCLAYS CAPITAL INC. **JURY TRIAL DEMANDED**
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Glen Allen, Virginia, 23060

CITIGROUP GLOBAL MARKETS INC.
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Serve by the Secretary of the Commonwealth of Virginia:
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DEUTSCHE BANK SECURITIES INC.
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J.P. MORGAN SECURITIES LLC
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Registered Agent
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Registered Agent
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RBS SECURITIES INC.
(*f/k/a* GREENWICH CAPITAL MARKETS, INC.)
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Registered Agent
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Wilmington, DE 19808

UBS SECURITIES LLC,
Serve by the Secretary of the Commonwealth of Virginia:
Corporation Service Company
Registered Agent
2711 Centerville Road, Suite 400
Wilmington, DE 19808

and

WAMU CAPITAL CORP.
Serve:
CT Corporation System
Registered Agent
4701 Cox Road, Suite 285
Glen Allen, Virginia, 23060

Defendants.

THE COMMONWEALTH OF VIRGINIA'S COMPLAINT-IN-INTERVENTION

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The Commonwealth of Virginia ("**the Commonwealth**") hereby intervenes in this action under the Virginia Fraud Against Taxpayers Act (Va. Code §§ 8.01-216.1 *et seq*.) and pursues independent common law causes of action against Defendants J.P. Morgan Securities LLC (*f/k/a* J.P. Morgan Securities, Inc. and as successor-in-interest to Bear, Stearns & Co., Inc.), Barclays Capital Inc., Citigroup Global Markets Inc., Countrywide Securities Corporation, Credit Suisse Securities (USA) LLC (*f/k/a* Credit Suisse First Boston LLC), Deutsche Bank Securities Inc., Goldman, Sachs & Co., RBS Securities Inc. (*f/k/a* Greenwich Capital Markets, Inc.), HSBC Securities (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated (and as successor-in-interest to Banc of America Securities LLC), Morgan Stanley & Co. LLC, UBS Securities LLC, and WaMu Capital Corp. (collectively, "**Defendants**"), and alleges as follows:

I. INTRODUCTION

1. This action is an effort to restore to the Commonwealth approximately $383.91 million in losses suffered due to Defendants' false claims, fraudulent misrepresentations, and constructive fraud in connection with the sale of residential mortgage-backed securities ("**RMBS**") to the Virginia Retirement System ("**VRS**").

2. VRS was established by the General Assembly in accordance with Article X, Section 11 of the Virginia Constitution which requires the Legislature to "maintain a retirement system for State employees and employees of participating political subdivisions and school divisions." VRS, an agency of the Commonwealth, is governed by a board of nine members appointed by the Governor, and administers pension plans and other benefits for covered Virginia public sector employees.

3. Defendants are large investment banks that materially misrepresented the nature, quality, characteristics, and risk profile of residential mortgage pools which backed RMBS that they sold or caused to be sold to VRS in violation of Virginia law.

II. JURISDICTIONAL ALLEGATIONS

A. Relator Initiated Action Under Virginia Statute

4. When the Attorney General of Virginia ("Attorney General") investigates and determines that a fraud has been perpetrated against taxpayers in the Commonwealth, he may bring a civil action under the Virginia Fraud Against Taxpayers Act. *See Va. Code §8.01-216.4*

5. In this instance, the Attorney General has investigated the conduct of the Defendants, after receiving the novel information from Integra REC LLC ("**Integra**" or "**Relator**"), and determined that the fraud against Virginia is real and extravagant. Defendants' reckless representations hid the true nature of the securities they were peddling to the Virginia Retirement System. Accordingly, the Attorney General is employing his authority to intervene and pursue claims to recover the losses incurred by the Commonwealth, its workers, its retirees, and its taxpayers.

6. Integra initiated this action under seal on behalf of the Commonwealth under Va., Code §8.01 216.5, the *qui tam* provisions of the Virginia Fraud Against Taxpayers Act on January 24, 2014. The Commonwealth, pursuant to this Complaint in Intervention, has intervened in the case pursuant to VA Code § 8.01-

216.5(D) and is asserting independent common law causes of action in addition to claims under the Virginia Fraud Against Taxpayers Act.

7. The detailed allegations concerning specific misrepresentations giving rise to damages set forth in this complaint have not, to the Commonwealth's knowledge and belief, been previously disclosed: (a) in a criminal, civil or administrative hearing in which the Commonwealth or its agent is a party; (b) in a Virginia legislative, administrative, or Auditor of Public Accounts' report, hearing, audit, or investigation; or (c) from the news media.

8. Although wrongful actions of a general nature or with respect to other transactions or occurrences by Defendants and others in connection with the RMBS markets have been the subject of government investigations, hearings, cases, and reports by the news media, none of the information produced or disclosed in connection with these efforts is nearly specific enough to precisely identify in which securities misrepresentations have occurred and to what extent VRS suffered as a result of such misrepresentations. This is partly due to the complexity of RMBS and the lack of specificity in such proceedings or reports. The Commonwealth's detailed investigation with Relator's proprietary methods, tools, and data, on the other hand, allows it to now ascertain specific, actionable misrepresentation and to link that misrepresentation to VRS's losses.

9. Relator identifies precisely which loans in the underlying mortgage pools backing the securities bought by VRS were misrepresented by employing specific loan-level fraud detection. This involves a matching algorithm developed by Re-

lator to map trustee reports and collateral reports to county level property and tax data. Individual loan profiles in the security offering documents are presented without identifying information such as name and address, and the algorithm is required to match these profiles to those in official records across the country, employing a process developed by the Relator to insure uniqueness and accuracy. Loan-level misrepresentations are then traced to specific RMBS tranches purchased by VRS.

10. Relator also reveals that VRS's monetary losses are directly linked to the loan-level misrepresentations. Relator performs detailed, loan-level regression analyses that demonstrate that misrepresentations at the time of security issuance predict future foreclosures and defaults. Relator's analysis confirms that the losses suffered by VRS are beyond those related to general market conditions and resulted directly from the Defendants' misrepresentations.

11. Due to these factors, the nature and extent of any fraud or losses due to specific misrepresentation associated with RMBS bought by VRS have not previously been identified and analyzed. The Commonwealth neither has attempted a recovery of its losses in connection with these securities nor could it have possibly done so without Relator's unique analysis, proprietary algorithms, detailed knowledge of MBS misreporting, and advanced quantitative methodologies.

12. VRS's inability to identify which securities in its portfolio were fraudulently represented has led to its inability to identify or quantify its monetary losses due to fraud. Relator reveals which 220 Certificates from among the tens of thou-

sands of VRS investments were misrepresented at their issuance. Using transactions data for each security, Relator calculates losses by comparing net cost and sale price, accounting for any principal payments that accrued to specific tranches during ownership.

13. Absent Relator's proprietary systems for data analysis, superior access to information, and expertise in uncovering, quantifying, and disclosing misrepresentations in complex structured finance products, the Commonwealth believes that the allegations of this complaint would in all likelihood have remained undisclosed forever, without the Commonwealth being able to recover its losses.

14. The Commonwealth believes that Relator has direct and independent knowledge of the information on which these allegations are based that materially adds to any publicly disclosed allegations or transactions that are in any way related to the subject matter of this complaint. Relator has voluntarily provided its knowledge and analysis to the Commonwealth prior to the filing of this complaint.

15. Therefore, the Commonwealth certifies both that this Complaint in Intervention is brought by the Attorney General of the Commonwealth on behalf of its taxpayers, and that the Complaint in Intervention meets the jurisdictional requirements of Va. Code §8.01-216.8.

B. Personal Jurisdiction Over Defendants

16. Defendants are subject to the jurisdiction of this Court pursuant to Virginia's Fraud Against Taxpayers Act, Va. Code § 8.01-216 et seq.;, the long-arm statute of the Commonwealth, Va. Code § 8.01-328.1; and federal and state due process standards.

17. Defendants have and continue to transact business and contract to supply services or things within the Commonwealth. Additionally, Defendants caused tortious injury within the Commonwealth, and regularly engage in business and other conduct and derive substantial revenue from services rendered in the Commonwealth.

18. Defendants have purposefully availed themselves of the privileges and benefits of conducting activities in the Commonwealth. As described below, the Commonwealth's claims arise out of, and relate to, Defendants' misconduct in the packaging and selling of RMBS. Defendants were the underwriters of the securities at issue, which were offered and sold in this state. In poisoning the stream of commerce with these toxic products, Defendants fully understood that the effects of their fraudulent conduct would not only reach the Commonwealth, but impact it directly.

19. As stated in their own offering documents, Defendants intentionally worked to establish a secondary market for their RMBS. They did so with full knowledge that the RMBS would be purchased and sold in the Commonwealth based upon their representations. Indeed, Defendants specify in their offering documents that investors interested in such securities should rely solely upon the information contained in the offering documents. The fact that VRS purchased the RMBS is no surprise to Defendants, who intended for their RMBS to be sold in the Commonwealth to large institutional investors like VRS (part of the limited group of targeted investors for these securities).

20. Additionally, VRS purchased RMBS at original issuance from each of the Defendants in this matter apart from HSBC Securities (USA) Inc. These sales of securities, directly at issue in this case, to a Commonwealth fund support VRS's assertion of specific personal jurisdiction, separate and apart from the more than sufficient stream of commerce allegations set forth.

21. Moreover, in structuring the very RMBS at issue in this case, Defendants packaged billions of dollars in residential loans originated in the Commonwealth and made to borrowers in the Commonwealth for the purchase of homes located in the Commonwealth. This is yet another example of the existence of specific personal jurisdiction over Defendants in this matter.

22. In addition to specific personal jurisdiction, Defendants are subject to general jurisdiction in the Commonwealth by virtue of having continuously and systematically conducted substantial business operations in the Commonwealth through their significant presence in the forum, as measured by the number of Defendants' offices, officers, and employees that are or were, during the relevant period, located throughout Virginia, and the Defendants transact significant business in the Commonwealth of Virginia.

C. Subject Matter Jurisdiction and Venue

23. This Court has jurisdiction over the subject matter of this Complaint and venue is proper in this Court because the Commonwealth has intervened and is prosecuting this matter as the party plaintiff. *See Va. Code. 8.01-216.5.*

24. As the Commonwealth is not a citizen of any state, this case is not removable to federal Court on the basis of diversity jurisdiction. *Ritholz v. Com.*, 35 S.E.2d 210, 214 (Va. 1945).

III. THE PARTIES

25. The Attorney General of Virginia brings this action on behalf of the Commonwealth.

26. Defendant J.P. Morgan Securities LLC (*f/k/a* J.P. Morgan Securities, Inc.) ("**JP Morgan**") is a Delaware limited liability company, with its principal place of business in New York, New York. Defendant J.P. Morgan Securities LLC is the successor-in-interest to Bear, Stearns & Co., Inc. ("**Bear Stearns**"), an underwriter of certain offerings that are the subject matter of this complaint. Upon information and belief, this Defendant has transacted business in the Commonwealth of Virginia at all times relevant hereto, but failed to designate an agent for service of process. Pursuant to Va. Code §§ 8.01-301, 8.01-329, service of process may be obtained by serving the Secretary of the Commonwealth with two copies of the process in this cause. The Secretary of the Commonwealth will then complete service by serving its last known registered agent in the State of Delaware, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

27. Defendant Barclays Capital Inc. ("**Barclays**") is a corporation organized under the laws of the State of Connecticut with its principal place of business in New York, New York. It may be served with citation by serving its registered

agent for service in Virginia, CT Corporation System, 4701 Cox Road, Suite 285, Glen Allen, Virginia 23060-0000.

28. Defendant Citigroup Global Markets Inc. ("**Citigroup**") is a corporation organized under the laws of the State of New York with its principal place of business in New York, New York. It may be served with citation by serving its registered agent for service in Virginia, CT Corporation System, 4701 Cox Road, Suite 285, Glen Allen, Virginia 23060-0000.

29. Defendant Countrywide Securities Corporation ("**Countrywide**") is a corporation organized under the laws of the State of California with its principal place of business in Calabasas, California. Upon information and belief, this Defendant has transacted business in the Commonwealth of Virginia at all times relevant hereto, but has since had its registration in the Commonwealth purged. Pursuant to Va. Code §§ 8.01-301, 8.01-329, service of process may be obtained by serving the Secretary of the Commonwealth with two copies of the process in this cause. The Secretary of the Commonwealth will then complete service by serving its last known registered agent in the state of California, CT Corporation System, 818 West Seventh Street, 2nd Floor, Los Angeles, California 90017.

30. Defendant Credit Suisse Securities (USA) LLC (*f/k/a* Credit Suisse First Boston LLC) ("**Credit Suisse**") is a Delaware limited liability company with its principal place of business in New York, New York. Credit Suisse Securities (USA) LLC's sole member is Credit Suisse Securities (USA), Inc., a Delaware corporation with its principal place of business in New York, New York. Credit Suisse Se-

curities (USA), Inc. is wholly owned by Credit Suisse Holdings (USA), Inc., which is wholly owned by Credit Suisse AG. Upon information and belief, this Defendant has transacted business in the Commonwealth of Virginia at all times relevant hereto, but failed to designate an agent for service of process. Pursuant to Va. Code §§ 8.01-301, 8.01-329, service of process may be obtained by serving the Secretary of the Commonwealth with two copies of the process in this cause. The Secretary of the Commonwealth will then complete service by serving its last known registered agent in the State of Delaware, Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

31. Defendant Deutsche Bank Securities Inc. ("**Deutsche Bank**") is a corporation organized under the laws of the State of Delaware with its principal place of business in New York, New York. Upon information and belief, this Defendant has transacted business in the Commonwealth of Virginia at all times relevant hereto, but has since withdrawn its registration and registered agent. Pursuant to Va. Code §§ 8.01-301, 8.01-329, service of process may be obtained by serving the Secretary of the Commonwealth with two copies of the process in this cause. The Secretary of the Commonwealth will then complete service by serving its last known registered agent in the State of Delaware, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801.

32. Defendant Goldman, Sachs & Co. ("**Goldman Sachs**") is a New York limited partnership with its principal place of business in New York, New York. It may be served with citation by serving its registered agent for service in Virginia,

CT Corporation System, 4701 Cox Road, Suite 285, Glen Allen, Virginia 23060-0000.

33. Defendant RBS Securities Inc. (*f/k/a* Greenwich Capital Markets, Inc.) ("**RBS Greenwich**") is a corporation organized under the laws of the State of Delaware with its principal place of business in Stamford, Connecticut. Upon information and belief, this Defendant has transacted business in the Commonwealth of Virginia at all times relevant hereto, but failed to designate an agent for service of process. Pursuant to Va. Code §§ 8.01-301, 8.01-329, service of process may be obtained by serving the Secretary of the Commonwealth with two copies of the process in this cause. The Secretary of the Commonwealth will then complete service by serving its last known registered agent in the State of Delaware, Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

34. Defendant HSBC Securities (USA) Inc. ("**HSBC**") is a corporation organized under the laws of the State of Delaware with its principal place of business in New York, New York. It may be served with citation by serving its registered agent for service in Virginia, CT Corporation System, 4701 Cox Road, Suite 285, Glen Allen, Virginia 23060-0000.

35. Defendant Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**Merrill Lynch**") is a corporation organized under the laws of the State of Delaware with its principal place of business in Charlotte, North Carolina. Defendant Merrill Lynch is additionally liable as the successor-in-interest to Banc of America Securities LLC ("**Banc of America**"). During the relevant period, Banc of America was

the investment banking subsidiary of non-party Bank of America Corp. (together with Banc of America, "**Bank of America**"). Effective November 1, 2010, Banc of America merged with Merrill Lynch. Merrill Lynch is a wholly-owned subsidiary of Merrill Lynch and Co., Inc., which itself is a wholly-owned subsidiary of Bank of America Corp. It may be served with citation by serving its registered agent for service in Virginia, CT Corporation System, 4701 Cox Road, Suite 285, Glen Allen, Virginia 23060-0000.

36. Defendant Morgan Stanley & Co. LLC ("**Morgan Stanley**") is a Delaware limited liability company with its principal place of business in New York, New York. It may be served with citation by serving its registered agent for service in Virginia, CT Corporation System, 4701 Cox Road, Suite 285, Glen Allen, Virginia 23060-0000.

37. Defendant UBS Securities LLC ("**UBS**") is a Delaware limited liability company with its principal places of business in Stamford, Connecticut and New York, New York. Upon information and belief, this Defendant has transacted business in the Commonwealth of Virginia at all times relevant hereto, but failed to designate an agent for service of process. Pursuant to Va. Code §§ 8.01-301, 8.01-329, service of process may be obtained by serving the Secretary of the Commonwealth with two copies of the process in this cause. The Secretary of the Commonwealth will then complete service by serving its last known registered agent in the State of Delaware, Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

38. Defendant WaMu Capital Corp. ("**WaMu**") is a Washington corporation with its principal place of business in Seattle, Washington and is a wholly owned subsidiary of JP Morgan Bank. It may be served with citation by serving its registered agent for service in Virginia, CT Corporation System, 4701 Cox Road, Suite 285, Glen Allen, Virginia 23060-0000.

IV. FACTUAL BACKGROUND

A. Introduction

39. In the years preceding the 2008 financial crisis, pension funds around the globe invested billions of dollars in highly-rated residential mortgage-backed securities that were supposedly issued according to strict underwriting requirements. The securities were divided into various "Tranches," or "Certificates," with various seniority, prices, rates of return, and risk. This complaint concerns VRS's purchases of 220 of these Certificates.

40. RMBS were fixed income structured finance products backed by thousands of individual residential mortgages aggregated together ("**Mortgage Pools**") which promised their holders monthly disbursements from the payments those individual borrowers made on their loans. Each Certificate was backed by at least one Mortgage Pool.

41. The risk and value of the Certificates, therefore, were ultimately and completely dependent on the expected ability of the individual borrowers to make their payments. Recognizing this, RMBS underwriters made detailed representations regarding the quality and risk of the Mortgage Pools as a whole and the key risk factors for each individual mortgage within the Mortgage Pools.

42. These representations were made in multiple documents, some of which were filed with the Securities and Exchange Commission and some of which were distributed privately. These documents included, but were not limited to, Prospectuses, Prospectus Supplements, Free Writing Prospectuses, Term Sheets, Loan Tapes, Trustee Reports, and Collateral Reports (together, "**Offering Documents**"). Underwriters used these documents and or allowed these documents to be used in the marketing of the RMBS by distributing them to potential investors.

43. Defendants made representations to investors through the Offering Documents concerning aggregate statistics of the Mortgage Pools and also specific information about the individual mortgages. These representations included the percentage of mortgaged properties with simultaneous second liens, the owner occupancy rate of properties within a given mortgage pool, and the loan-to-value ratio and combined loan-to-value ratio of the underlying mortgages. Investors such as VRS relied on these representations to evaluate securities and make investment decisions.

44. Defendants created and distributed the Offering Documents to inform potential investors like VRS about the quality and risk of the RMBS and to induce them to purchase the RMBS. In fact, in the Offering Documents, Defendants instructed investors, such as VRS, to rely solely on the representations contained therein and not to rely on any other representation made outside of those documents. Investors such as VRS relied on these representations to evaluate securities and make investment decisions.

45. It was critical to Defendants that large institutional investors, such as VRS, purchase their RMBS, allowing Defendants to cash out before the true nature of the underlying mortgages caused the value of the RMBS to plummet. Defendants were also aware that investors, like VRS, preferred conservative investments such as AAA-rated RMBS. Thus, it was vital to Defendants that their RMBS receive AAA ratings or their equivalent from the Credit Ratings Agencies.

46. To ensure a AAA rating, Defendants distributed their Offering Documents, including the misrepresentations contained therein, to Credit Rating Agencies, which used the information to assign a credit rating to each security. Since Credit Rating Agencies assigned credit ratings under the assumption that all information provided from the underwriter was accurate, misrepresentations led to inaccurate and inflated credit ratings which overstated the safety, quality, and value of the RMBS, but gave Defendants the ratings they needed to sell their RMBS to pension funds.

47. Relator has analyzed the investments of VRS and determined that the representations made in the Offering Documents concerning the 220 securities were grossly inaccurate and misrepresented the underlying Mortgage Pools and individual mortgages as more credit-worthy, more likely to provide a steady income stream, less likely to default, and less risky than they actually were. In reality, the Mortgage Pools were filled with thousands of risky loans, many of whose borrowers would quickly fall into default. In short, the RMBS that VRS bought were substan-

tially riskier and significantly less valuable than the RMBS that Defendants claimed VRS was buying.

48. An examination of these Certificates and their underlying mortgage loans, and a comparison with their Offering Documents, reveals that Defendants materially misrepresented the RMBS to VRS in terms of the nature and quality of the underlying Mortgage Pools.

49. VRS thus bought 220 Certificates on false premises and consequently suffered large losses – totaling approximately $383.91 million in losses, interest, and lost profits on these RMBS investments by September 2014.

50. As detailed herein, the loans that were the subject of the Defendants' misrepresentations defaulted and were foreclosed upon at a higher frequency than loans whose quality was not misrepresented. Indeed, Relator's detailed loan-level regression analyses demonstrate that the misrepresentations at issuance predicted future defaults.

B. Categories of False Claims

51. Defendants made material false claims to VRS that can be categorized as follows: (a) misrepresentations regarding the percentage of homes within a given mortgage pool that have simultaneous second liens ("**Second Lien False Claims**"); (b) misrepresentations regarding the owner occupancy rate of the mortgaged homes within a given mortgage pool ("**Owner Occupancy False Claims**"); and (c) misrepresentations regarding the loan-to-value ratio of mortgages within a given mortgage pool ("**Loan to Value False Claims**").

52. Second Lien False Claims include statements that misrepresent the true number of loans within a given mortgage pool that were made to borrowers who simultaneously took out a second loan that gave rise to a second lien on the property. Simultaneous second liens arise most often when a homebuyer takes out a second loan to pay the down payment associated with the primary loan (i.e., situations where a home buyer lacks sufficient funds for a down payment). Offering Documents, including Prospectus Supplements and Free Writing Prospectuses, contain claims of the fraction or number of loans within the Mortgage Pools with a simultaneous second lien.

53. Simultaneous second liens are a major risk factor with respect to any assessment of RMBS, because homeowners with simultaneous second liens have less equity in their homes than those who have invested a full down payment. The incomes and assets of these homeowners are also disproportionately small relative to the size of their mortgages, as they are unable to meet the industry standard 20% requirement for "Conforming" loans. Unsurprisingly, Relator reveals that homeowners with simultaneous second liens default on their primary mortgages at significantly higher rates than those without such extra obligations.

54. Owner Occupancy False Claims include statements that misrepresent the true fraction of loans within a given mortgage pool that were made to borrowers who do not live in the home associated with the mortgage. Non-owner occupied homes are generally investment properties or vacation properties. Offering Docu-

ments, including Prospectus Supplements, contain claims of the fraction of loans within the Mortgage Pools which are owner occupied.

55. The presence of non-owner occupied homes in a mortgage pool is a major risk factor with respect to any assessment of RMBS because homeowners who do not live in a home have less attachment to that property and have a fall back residence option if they default on their mortgage. Unsurprisingly, Relator reveals that borrowers who do not occupy their properties default on those mortgages at significantly higher rates than homeowners who actually live in homes subject to a mortgage.

56. Loan to Value False Claims include statements that misrepresent the ratio of mortgage loan balances within a given mortgage pool to the actual value of the properties associated with those mortgage loans. The loan to value ("**LTV**") ratio of a mortgage is calculated by dividing the value of a loan by the value of its associated property. For example, a $160,000 loan on a $200,000 property would have an LTV ratio of $160,000/$200,000 = 80%. Mortgages with LTV ratios of 80% or below are considered "Conforming" loans, as they require a down payment of at least 20%. Mortgages with LTV ratios above 80% are considered "Non-conforming" loans. An LTV ratio above 100% describes a property whose value is less than the amount of the mortgage. Such loans are considered "Underwater" as the homeowner has a financial incentive to default on the mortgage. Offering documents, including Prospectus Supplements, contain claims of the fraction of loans which have LTV ratios

of 80% or below (Conforming), above 80% (Non-conforming), and above 100% (Underwater).

57. The presence of mortgage loans with high LTV ratios in a mortgage pool – particularly those exceeding 100% – represents a major risk factor with respect to any assessment of RMBS, as the higher the LTV ratio, the less equity the homeowner has in the house and the less incentive he or she has to continue making payments. Unsurprisingly, Relator reveals that homeowners with high LTV ratio loans default at much higher rates than homeowners with low LTV ratio loans.

C. Defendants' False Claims in Aggregate

58. The 220 Certificates that VRS bought were backed by Mortgage Pools which contained a total of 785,245 loans, representing a value of $199.0 billion. Of those loans, Relator has discovered that 38% of the loans were misrepresented in at least one risk factor.

59. Using a proprietary matching algorithm which allows detailed mapping of Securities and Exchange Commission ("**SEC**)" filings and collateral reports to county property and tax records and ultimately to mortgage pools, along with industry-accepted historical valuation analysis, Relator has determined that the following average misrepresentation was made across Defendants:

Type	False Claim	Reality	Difference
Owner Occupancy False Claim	90.88% of mortgages in pools were claimed as owner occupied mortgages	Only 83.66% of homes were owner occupied	7.22% of loans were misrepresented as owner occupied

Type	False Claim	Reality	Difference
Loan to Value False Claim	23.44% of mortgages in pools were claimed as having an LTV greater than 80.00% (Non-Conforming loans)	53.95% of loans had an LTV greater than 80.00%	30.51% of loans were misrepresented as Conforming
Loan to Value False Claim	0.04% of mortgages in pools were listed as having an LTV greater than 100.00% (Underwater loans)	15.10% of loans had an LTV greater than 100.00%	15.06% of loans were misrepresented as not Underwater
Simultaneous Second False Claim	25.30% of mortgages in pools were claimed to have a simultaneous second lien	30.62% of loans had a simultaneous second	5.32% of loans were misrepresented as absent a second lien

D. Defendants' False Claims by Security

(a) CSAB Mortgage-Backed Trust 2006-3

60. The CSAB Mortgage-Backed Trust 2006-3 Certificates ("**CSAB 2006-3 Certificates**") were issued pursuant to a prospectus supplement dated October 27, 2006 (the "**CSAB 2006-3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CSAB 2006-3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CSAB 2006-3 Certificates: Credit Suisse.

61. The CSAB 2006-3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner	75.63% of mortgages in pool were	Only 67.15% of homes

Occupancy False Claim	listed as owner occupied mortgages on page S-26 of the CSAB 2006-3 Prospectus Supplement	were owner occupied
Loan to Value False Claim	3.69% of mortgages in pool were listed as having an LTV greater than 80% on page S-26 of the CSAB 2006-3 Prospectus Supplement	36.77% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-26 of the CSAB 2006-3 Prospectus Supplement	12.71% of loans had an LTV greater than 100%
Simultaneous Second False Claim	61.88% of homes associated with mortgages in the pool had a simultaneous second lien on page S-16 of the CSAB 2006-3 Prospectus Supplement	62.03% of the homes associated with mortgages in the pool had a simultaneous second lien

62. VRS purchased certificates from the A1B2 and A1A tranches of the CSAB 2006-3 Certificates with CUSIP No. 12628KAC6 and 12628KAA0 based upon the false claims set forth above, which were material to VRS's investment decision.

(b) Home Equity Mortgage Loan Asset-Backed Trust, Series INABS 2006-E

63. The Home Equity Mortgage Loan Asset-Backed Trust, Series INABS 2006-E Certificates ("**INABS 2006-E Certificates**") were issued pursuant to a prospectus supplement dated December 6, 2006 (the "**INABS 2006-E Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the INABS 2006-E Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the INABS 2006-E Certificates: Credit Suisse.

64. The INABS 2006-E Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality

Owner Occupancy False Claim	96.8% of mortgages in pool were listed as owner occupied mortgages on page II-21 of the INABS 2006-E Prospectus Supplement	Only 87.14% of homes were owner occupied
Loan to Value False Claim	31.69% of mortgages in pool were listed as having an LTV greater than 80% on page II-21 of the INABS 2006-E Prospectus Supplement	70.61% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page II-21 of the INABS 2006-E Prospectus Supplement	15.82% of loans had an LTV greater than 100%
Simultaneous Second False Claim	26.34% of homes associated with mortgages in the pool had a simultaneous second lien on page S-18 of the INABS 2006-E Prospectus Supplement	31.12% of the homes associated with mortgages in the pool had a simultaneous second lien

65. VRS purchased certificates from the 2A1B tranche of the INABS 2006-E Certificates with CUSIP No. 43709XAE1 based upon the false claims set forth above, which were material to VRS's investment decision.

(c) Banc of America Funding 2006–8T2 Trust

66. The Banc of America Funding 2006–8T2 Trust Certificates ("**BAFC 2006-8T2 Certificates**") were issued pursuant to a prospectus supplement dated November 28, 2006 (the "**BAFC 2006-8T2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BAFC 2006-8T2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BAFC 2006-8T2 Certificates: Banc of America.

67. The BAFC 2006-8T2 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner	76.22% of mortgages in pool were	Only 65.64% of homes

Occupancy False Claim	listed as owner occupied mortgages on page A-3 of the BAFC 2006-8T2 Prospectus Supplement	were owner occupied
Loan to Value False Claim	7.43% of mortgages in pool were listed as having an LTV greater than 80% on page A-8 of the BAFC 2006-8T2 Prospectus Supplement	30.91% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-8 of the BAFC 2006-8T2 Prospectus Supplement	12.82% of loans had an LTV greater than 100%
Simultaneous Second False Claim	6.88% of homes associated with mortgages in the pool had a simultaneous second lien according to the BAFC 2006-8T2 Free Writing Prospectus	25.79% of the homes associated with mortgages in the pool had a simultaneous second lien

68. VRS purchased certificates from the A2 tranche of the BAFC 2006-8T2 Certificates with CUSIP No. 05951UAC5 based upon the false claims set forth above, which were material to VRS's investment decision.

(d) IndyMac INDX Mortgage Loan Trust 2006-AR15

69. The IndyMac INDX Mortgage Loan Trust 2006-AR15 Certificates ("**INDX 2006-AR15 Certificates**") were issued pursuant to a prospectus supplement dated May 26, 2006 (the "**INDX 2006-AR15 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the INDX 2006-AR15 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the INDX 2006-AR15 Certificates: Deutsche Bank.

70. The INDX 2006-AR15 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy	89.68% of mortgages in pool were listed as owner occupied mortgages	Only 79.27% of homes were owner occupied

False Claim	on page S-38 of the INDX 2006-AR15 Prospectus Supplement	
Loan to Value False Claim	1.97% of mortgages in pool were listed as having an LTV greater than 80% on page S-35 of the INDX 2006-AR15 Prospectus Supplement	71.35% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-35 of the INDX 2006-AR15 Prospectus Supplement	6.78% of loans had an LTV greater than 100%
Simultaneous Second False Claim	62.37% of homes associated with mortgages in the pool had a simultaneous second lien on page S-23 of the INDX 2006-AR15 Prospectus Supplement	62.6% of the homes associated with mortgages in the pool had a simultaneous second lien

71. VRS purchased certificates from the A1 tranche of the INDX 2006-AR15 Certificates with CUSIP No. 456610AA2 based upon the false claims set forth above, which were material to VRS's investment decision.

(e) Wells Fargo Mortgage Backed Securities 2006-AR15 Trust

72. The Wells Fargo Mortgage Backed Securities 2006-AR15 Trust Certificates ("**WFMBS 2006-AR15 Certificates**") were issued pursuant to a prospectus supplement dated September 22, 2006 (the "**WFMBS 2006-AR15 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WFMBS 2006-AR15 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WFMBS 2006-AR15 Certificates: Deutsche Bank.

73. The WFMBS 2006-AR15 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner	90.67% of mortgages in pool were	Only 80.68% of homes

Occupancy False Claim	listed as owner occupied mortgages on page A-5 of the WFMBS 2006-AR15 Prospectus Supplement	were owner occupied
Loan to Value False Claim	1.82% of mortgages in pool were listed as having an LTV greater than 80% on page A-4 of the WFMBS 2006-AR15 Prospectus Supplement	52.69% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-4 of the WFMBS 2006-AR15 Prospectus Supplement	8.68% of loans had an LTV greater than 100%
Simultaneous Second False Claim	41.66% of homes associated with mortgages in the pool had a simultaneous second lien according to the WFMBS 2006-AR15 Free Writing Prospectus	48.84% of the homes associated with mortgages in the pool had a simultaneous second lien

74. VRS purchased certificates from the A1 tranche of the WFMBS 2006-AR15 Certificates with CUSIP No. 94985AAA7 based upon the false claims set forth above, which were material to VRS's investment decision.

(f) HomeBanc Mortgage Trust 2005-4

75. The HomeBanc Mortgage Trust 2005-4 Certificates ("**HMBT 2005-4 Certificates**") were issued pursuant to a prospectus supplement dated August 25, 2005 (the "**HMBT 2005-4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HMBT 2005-4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HMBT 2005-4 Certificates: Bear Stearns.

76. The HMBT 2005-4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy	77.92% of mortgages in pool were listed as owner occupied mortgages	Only 71.27% of homes were owner occupied

False Claim	on page S-C-7 of the HMBT 2005-4 Prospectus Supplement	
Loan to Value False Claim	34.19% of mortgages in pool were listed as having an LTV greater than 80% on page S-C-5 of the HMBT 2005-4 Prospectus Supplement	65.6% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-C-5 of the HMBT 2005-4 Prospectus Supplement	23.58% of loans had an LTV greater than 100%
Simultaneous Second False Claim	26.93% of homes associated with mortgages in the pool had a simultaneous second lien on page S-16 of the HMBT 2005-4 Prospectus Supplement	54.09% of the homes associated with mortgages in the pool had a simultaneous second lien

77. VRS purchased certificates from the A1 tranche of the HMBT 2005-4 Certificates with CUSIP No. 43739EBS5 based upon the false claims set forth above, which were material to VRS's investment decision.

(g) Ameriquest Mortgage Securities Trust 2006-M3

78. The Ameriquest Mortgage Securities Trust 2006-M3 Certificates ("**ARSI 2006-M3 Certificates**") were issued pursuant to a prospectus supplement dated September 12, 2006 (the "**ARSI 2006-M3 Prospectus Supplement**"). The following underwriters responsible for the false claims made in the ARSI 2006-M3 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the ARSI 2006-M3 Certificates: RBS Greenwich and Barclays.

79. The ARSI 2006-M3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.27% of mortgages in pool were listed as owner occupied mortgages on page III-29 of the ARSI 2006-M3	Only 85.61% of homes were owner occupied

	Prospectus Supplement	
Loan to Value False Claim	33.72% of mortgages in pool were listed as having an LTV greater than 80% on page III-26 of the ARSI 2006-M3 Prospectus Supplement	41.02% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-26 of the ARSI 2006-M3 Prospectus Supplement	11.04% of loans had an LTV greater than 100%
Simultaneous Second False Claim	41.51% of homes associated with mortgages in the pool had a simultaneous second lien on page S-13 of the ARSI 2006-M3 Prospectus Supplement	66.03% of the homes associated with mortgages in the pool had a simultaneous second lien

80. VRS purchased certificates from the A2B tranche of the ARSI 2006-M3 Certificates with CUSIP No. 03076MAC8 based upon the false claims set forth above, which were material to VRS's investment decision.

(h) Argent Securities Trust 2006-W5

81. The Argent Securities Trust 2006-W5 Certificates ("**ARSI 2006-W5 Certificates**") were issued pursuant to a prospectus supplement dated May 12, 2006 (the "**ARSI 2006-W5 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the ARSI 2006-W5 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the ARSI 2006-W5 Certificates: RBS Greenwich and Barclays.

82. The ARSI 2006-W5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.54% of mortgages in pool were listed as owner occupied mortgages on page III-27 of the ARSI 2006-W5 Prospectus Supplement	Only 86.4% of homes were owner occupied

Loan to Value False Claim	34.03% of mortgages in pool were listed as having an LTV greater than 80% on page III-24 of the ARSI 2006-W5 Prospectus Supplement	41.27% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-24 of the ARSI 2006-W5 Prospectus Supplement	10.44% of loans had an LTV greater than 100%
Simultaneous Second False Claim	45.75% of homes associated with mortgages in the pool had a simultaneous second lien on page S-14 of the ARSI 2006-W5 Prospectus Supplement	49.3% of the homes associated with mortgages in the pool had a simultaneous second lien

83. VRS purchased certificates from the A2C tranche of the ARSI 2006-W5 Certificates with CUSIP No. 04012XAD7 based upon the false claims set forth above, which were material to VRS's investment decision.

(i) Argent Securities Trust 2006-W3

84. The Argent Securities Trust 2006-W3 Certificates ("**ARSI 2006-W3 Certificates**") were issued pursuant to a prospectus supplement dated March 15, 2006 (the "**ARSI 2006-W3 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the ARSI 2006-W3 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the ARSI 2006-W3 Certificates: UBS and JP Morgan.

85. The ARSI 2006-W3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.38% of mortgages in pool were listed as owner occupied mortgages on page III-27 of the ARSI 2006-W3 Prospectus Supplement	Only 85.51% of homes were owner occupied
Loan to Value	41.62% of mortgages in pool were	45.59% of loans had an

False Claim	listed as having an LTV greater than 80% on page III-24 of the ARSI 2006-W3 Prospectus Supplement	LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-24 of the ARSI 2006-W3 Prospectus Supplement	11.95% of loans had an LTV greater than 100%
Simultaneous Second False Claim	38.91% of homes associated with mortgages in the pool had a simultaneous second lien on page S-13 of the ARSI 2006-W3 Prospectus Supplement	40.61% of the homes associated with mortgages in the pool had a simultaneous second lien

86. VRS purchased certificates from the A2D tranche of the ARSI 2006-W3 Certificates with CUSIP No. 040104SS1 based upon the false claims set forth above, which were material to VRS's investment decision.

(j) RASC Series 2006-EMX4 Trust

87. The RASC Series 2006-EMX4 Trust Certificates ("**RASC 2006-EMX4 Certificates**") were issued pursuant to a prospectus supplement dated May 23, 2006 (the "**RASC 2006-EMX4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RASC 2006-EMX4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RASC 2006-EMX4 Certificates: RBS Greenwich.

88. The RASC 2006-EMX4 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.51% of mortgages in pool were listed as owner occupied mortgages on page II-6 of the RASC 2006-EMX4 Prospectus Supplement	Only 86.13% of homes were owner occupied
Loan to Value False Claim	36.87% of mortgages in pool were listed as having an LTV greater than	83.38% of loans had an LTV greater than 80%

	80% on page II-4 of the RASC 2006-EMX4 Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page II-4 of the RASC 2006-EMX4 Prospectus Supplement	20.06% of loans had an LTV greater than 100%
Simultaneous Second False Claim	44.02% of homes associated with mortgages in the pool had a simultaneous second lien according to the RASC 2006-EMX4 Free Writing Prospectus	47.37% of the homes associated with mortgages in the pool had a simultaneous second lien

89. VRS purchased certificates from the A3 tranche of the RASC 2006-EMX4 Certificates with CUSIP No. 75406DAC7 based upon the false claims set forth above, which were material to VRS's investment decision.

(k) Fremont Home Loan Trust 2006-B

90. The Fremont Home Loan Trust 2006-B Certificates ("**FHLT 2006-B Certificates**") were issued pursuant to a prospectus supplement dated August 3, 2006 (the "**FHLT 2006-B Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FHLT 2006-B Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FHLT 2006-B Certificates: UBS.

91. The FHLT 2006-B Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.41% of mortgages in pool were listed as owner occupied mortgages on page A-24 of the FHLT 2006-B Prospectus Supplement	Only 84.48% of homes were owner occupied
Loan to Value False Claim	34.36% of mortgages in pool were listed as having an LTV greater than 80% on page A-23 of the FHLT 2006-	75.38% of loans had an LTV greater than 80%

	B Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-23 of the FHLT 2006-B Prospectus Supplement	21.97% of loans had an LTV greater than 100%
Simultaneous Second False Claim	38.69% of homes associated with mortgages in the pool had a simultaneous second lien on page S-23 of the FHLT 2006-B Prospectus Supplement	39.68% of the homes associated with mortgages in the pool had a simultaneous second lien

92. VRS purchased certificates from the2A3 tranche of the FHLT 2006-B Certificates with CUSIP No. 35729QAD0 based upon the false claims set forth above, which were material to VRS's investment decision.

(l) HarborView Mortgage Loan Trust 2005-10

93. The HarborView Mortgage Loan Trust 2005-10 Certificates ("**HVMLT 2005-10 Certificates**") were issued pursuant to a prospectus supplement dated August 26, 2005 (the "**HVMLT 2005-10 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HVMLT 2005-10 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HVMLT 2005-10 Certificates: RBS Greenwich.

94. The HVMLT 2005-10 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	86.06% of mortgages in pool were listed as owner occupied mortgages on page S-41 of the HVMLT 2005-10 Prospectus Supplement	Only 79.88% of homes were owner occupied
Loan to Value False Claim	4.33% of mortgages in pool were listed as having an LTV greater than 80% on page S-42 of the HVMLT 2005-10 Prospectus Supplement	51.63% of loans had an LTV greater than 80%

Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-42 of the HVMLT 2005-10 Prospectus Supplement	11.48% of loans had an LTV greater than 100%
Simultaneous Second False Claim	28.2% of homes associated with mortgages in the pool had a simultaneous second lien on page S-20 of the HVMLT 2005-10 Prospectus Supplement	32.41% of the homes associated with mortgages in the pool had a simultaneous second lien

95. VRS purchased certificates from the 2A1B tranche of the HVMLT 2005-10 Certificates with CUSIP No. 41161PTP8 based upon the false claims set forth above, which were material to VRS's investment decision.

(m) Fieldstone Mortgage Investment Trust, Series 2006-1

96. The Fieldstone Mortgage Investment Trust, Series 2006-1 Certificates ("**FMIC 2006-1 Certificates**") were issued pursuant to a prospectus supplement dated March 15, 2006 (the "**FMIC 2006-1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FMIC 2006-1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FMIC 2006-1 Certificates: Bear Stearns.

97. The FMIC 2006-1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	98.59% of mortgages in pool were listed as owner occupied mortgages on page II-5 of the FMIC 2006-1 Prospectus Supplement	Only 90.65% of homes were owner occupied
Loan to Value False Claim	34.34% of mortgages in pool were listed as having an LTV greater than 80% on page II-4 of the FMIC 2006-1 Prospectus Supplement	81.11% of loans had an LTV greater than 80%
Loan to Value	0.00% of mortgages in pool were	10.27% of loans had an

False Claim	listed as having an LTV greater than 100% on page II-4 of the FMIC 2006-1 Prospectus Supplement	LTV greater than 100%
Simultaneous Second False Claim	62.03% of homes associated with mortgages in the pool had a simultaneous second lien on page S-26 of the FMIC 2006-1 Prospectus Supplement	64.4% of the homes associated with mortgages in the pool had a simultaneous second lien

98. VRS purchased certificates from the A2 tranche of the FMIC 2006-1 Certificates with CUSIP No. 31659TEY7 based upon the false claims set forth above, which were material to VRS's investment decision.

(n) Wells Fargo Mortgage Backed Securities 2006-AR13 Trust

99. The Wells Fargo Mortgage Backed Securities 2006-AR13 Trust Certificates ("**WFMBS 2006-AR13 Certificates**") were issued pursuant to a prospectus supplement dated August 24, 2006 (the "**WFMBS 2006-AR13 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WFMBS 2006-AR13 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WFMBS 2006-AR13 Certificates: Morgan Stanley.

100. The WFMBS 2006-AR13 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	88.95% of mortgages in pool were listed as owner occupied mortgages on page A-5 of the WFMBS 2006-AR13 Prospectus Supplement	Only 79.56% of homes were owner occupied
Loan to Value False Claim	0% of mortgages in pool were listed as having an LTV greater than 80% on page A-4 of the WFMBS 2006-AR13 Prospectus Supplement	37.19% of loans had an LTV greater than 80%

Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-4 of the WFMBS 2006-AR13 Prospectus Supplement	6.77% of loans had an LTV greater than 100%
Simultaneous Second False Claim	24.39% of homes associated with mortgages in the pool had a simultaneous second lien according to the WFMBS 2006-AR13 Free Writing Prospectus	38.33% of the homes associated with mortgages in the pool had a simultaneous second lien

101. VRS purchased certificates from the B5 and B4 tranches of the WFMBS 2006-AR13 Certificates with CUSIP No. 94984DAL8 and 94984DAK0 based upon the false claims set forth above, which were material to VRS's investment decision.

(o) RASC Series 2006-EMX7 Trust

102. The RASC Series 2006-EMX7 Trust Certificates ("**RASC 2006-EMX7 Certificates**") were issued pursuant to a prospectus supplement dated August 23, 2006 (the "**RASC 2006-EMX7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RASC 2006-EMX7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RASC 2006-EMX7 Certificates: JP Morgan.

103. The RASC 2006-EMX7 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.23% of mortgages in pool were listed as owner occupied mortgages on page II-6 of the RASC 2006-EMX7 Prospectus Supplement	Only 90.76% of homes were owner occupied
Loan to Value False Claim	41.97% of mortgages in pool were listed as having an LTV greater than 80% on page II-4 of the RASC 2006-	80.35% of loans had an LTV greater than 80%

	EMX7 Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page II-4 of the RASC 2006-EMX7 Prospectus Supplement	20.86% of loans had an LTV greater than 100%
Simultaneous Second False Claim	34.6% of homes associated with mortgages in the pool had a simultaneous second lien according to the RASC 2006-EMX7 Free Writing Prospectus	36.34% of the homes associated with mortgages in the pool had a simultaneous second lien

104. VRS purchased certificates from the A3 tranche of the RASC 2006-EMX7 Certificates with CUSIP No. 74924TAC8 based upon the false claims set forth above, which were material to VRS's investment decision.

(p) GSAMP Trust 2006-HE3

105. The GSAMP Trust 2006-HE3 Certificates ("**GSAMP 2006-HE3 Certificates**") were issued pursuant to a prospectus supplement dated March 23, 2006 (the "**GSAMP 2006-HE3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GSAMP 2006-HE3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GSAMP 2006-HE3 Certificates: Goldman Sachs.

106. The GSAMP 2006-HE3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.05% of mortgages in pool were listed as owner occupied mortgages on page A-18 of the GSAMP 2006-HE3 Prospectus Supplement	Only 84.41% of homes were owner occupied
Loan to Value False Claim	25.73% of mortgages in pool were listed as having an LTV greater than 80% on page A-18 of the GSAMP 2006-HE3 Prospectus Supplement	50.36% of loans had an LTV greater than 80%

Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-18 of the GSAMP 2006-HE3 Prospectus Supplement	13.96% of loans had an LTV greater than 100%
Simultaneous Second False Claim	34.07% of homes associated with mortgages in the pool had a simultaneous second lien on page S-40 of the GSAMP 2006-HE3 Prospectus Supplement	46.99% of the homes associated with mortgages in the pool had a simultaneous second lien

107. VRS purchased certificates from the A2D tranche of the GSAMP 2006-HE3 Certificates with CUSIP No. 36244KAE5 based upon the false claims set forth above, which were material to VRS's investment decision.

(q) Soundview Home Loan Trust 2006-OPT5

108. The Soundview Home Loan Trust 2006-OPT5 Certificates ("**SVHE 2006-OPT5 Certificates**") were issued pursuant to a prospectus supplement dated May 24, 2006 (the "**SVHE 2006-OPT5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SVHE 2006-OPT5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SVHE 2006-OPT5 Certificates: RBS Greenwich.

109. The SVHE 2006-OPT5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.43% of mortgages in pool were listed as owner occupied mortgages on page 33 of the SVHE 2006-OPT5 Prospectus Supplement	Only 88.98% of homes were owner occupied
Loan to Value False Claim	39.72% of mortgages in pool were listed as having an LTV greater than 80% on page 35 of the SVHE 2006-OPT5 Prospectus Supplement	65.74% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than	19.15% of loans had an LTV greater than 100%

	100% on page 35 of the SVHE 2006-OPT5 Prospectus Supplement	
Simultaneous Second False Claim	16.01% of homes associated with mortgages in the pool had a simultaneous second lien on page 21 of the SVHE 2006-OPT5 Prospectus Supplement	28.87% of the homes associated with mortgages in the pool had a simultaneous second lien

110. VRS purchased certificates from the M3 tranche of the SVHE 2006-OPT5 Certificates with CUSIP No. 83612CAH2 based upon the false claims set forth above, which were material to VRS's investment decision.

(r) HarborView Mortgage Loan Trust 2005-2

111. The HarborView Mortgage Loan Trust 2005-2 Certificates ("**HVMLT 2005-2 Certificates**") were issued pursuant to a prospectus supplement dated April 7, 2005 (the "**HVMLT 2005-2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HVMLT 2005-2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HVMLT 2005-2 Certificates: RBS Greenwich.

112. The HVMLT 2005-2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	86.74% of mortgages in pool were listed as owner occupied mortgages on page S-50 of the HVMLT 2005-2 Prospectus Supplement	Only 80.6% of homes were owner occupied
Loan to Value False Claim	1% of mortgages in pool were listed as having an LTV greater than 80% on page S-51 of the HVMLT 2005-2 Prospectus Supplement	42.23% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-51 of the HVMLT 2005-2 Prospectus Supplement	8.22% of loans had an LTV greater than 100%

Simultaneous Second False Claim	34.51% of homes associated with mortgages in the pool had a simultaneous second lien on page S-24 of the HVMLT 2005-2 Prospectus Supplement	38.69% of the homes associated with mortgages in the pool had a simultaneous second lien

113. VRS purchased certificates from the 2A1A tranche of the HVMLT 2005-2 Certificates with CUSIP No. 41161PLR2 based upon the false claims set forth above, which were material to VRS's investment decision.

(s) Option One Mortgage Loan Trust 2003-1

114. The Option One Mortgage Loan Trust 2003-1 Certificates ("**OOMLT 2007-4 Certificates**") were issued pursuant to a prospectus supplement dated April 2, 2007 (the "**OOMLT 2007-4 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the OOMLT 2007-4 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the OOMLT 2007-4 Certificates: RBS Greenwich and Banc of America.

115. The OOMLT 2007-4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	87.41% of mortgages in pool were listed as owner occupied mortgages on page S-35 of the OOMLT 2007-4 Prospectus Supplement	Only 83.54% of homes were owner occupied
Loan to Value False Claim	49.58% of mortgages in pool were listed as having an LTV greater than 80% on page S-35 of the OOMLT 2007-4 Prospectus Supplement	73.22% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-35 of the OOMLT 2007-4 Prospectus Supplement	29.33% of loans had an LTV greater than 100%
Simultaneous Second False	8.02% of homes associated with mortgages in the pool had a simulta-	9.59% of the homes associated with mortgag-

Claim	neous second lien on page S-22 of the OOMLT 2007-4 Prospectus Supplement	es in the pool had a simultaneous second lien

116. VRS purchased certificates from the M5 tranche of the OOMLT 2007-4 Certificates with CUSIP No. 68403FAK2 based upon the false claims set forth above, which were material to VRS's investment decision.

(t) Soundview Home Loan Trust 2007-OPT1

117. The Soundview Home Loan Trust 2007-OPT1 Certificates ("**SVHE 2007-OPT1 Certificates**") were issued pursuant to a prospectus supplement dated May 4, 2007 (the "**SVHE 2007-OPT1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SVHE 2007-OPT1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SVHE 2007-OPT1 Certificates: RBS Greenwich.

118. The SVHE 2007-OPT1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.46% of mortgages in pool were listed as owner occupied mortgages on page S-37 of the SVHE 2007-OPT1 Prospectus Supplement	Only 89.94% of homes were owner occupied
Loan to Value False Claim	50.79% of mortgages in pool were listed as having an LTV greater than 80% on page S-37 of the SVHE 2007-OPT1 Prospectus Supplement	72.01% of loans had an LTV greater than 80%
Loan to Value False Claim	0.47% of mortgages in pool were listed as having an LTV greater than 100% on page S-37 of the SVHE 2007-OPT1 Prospectus Supplement	29.19% of loans had an LTV greater than 100%

Type	False Claim	Reality
Simultaneous Second False Claim	6.27% of homes associated with mortgages in the pool had a simultaneous second lien on page S-24 of the SVHE 2007-OPT1 Prospectus Supplement	6.96% of the homes associated with mortgages in the pool had a simultaneous second lien

119. VRS purchased certificates from the M9 and M7 tranches of the SVHE 2007-OPT1 Certificates with CUSIP No. 83612TAP7 and 83612TAM4 based upon the false claims set forth above, which were material to VRS's investment decision.

(u) Carrington Mortgage Loan Trust, Series 2006-NC5

120. The Carrington Mortgage Loan Trust, Series 2006-NC5 Certificates ("**CARR 2006-NC5 Certificates**") were issued pursuant to a prospectus supplement dated December 14, 2006 (the "**CARR 2006-NC5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CARR 2006-NC5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CARR 2006-NC5 Certificates: Bear Stearns.

121. The CARR 2006-NC5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.62% of mortgages in pool were listed as owner occupied mortgages on page S-46 of the CARR 2006-NC5 Prospectus Supplement	Only 83.45% of homes were owner occupied
Loan to Value False Claim	43.82% of mortgages in pool were listed as having an LTV greater than 80% on page S-45 of the CARR 2006-NC5 Prospectus Supplement	69.86% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-45 of the CARR 2006-NC5 Prospectus Supplement	17.08% of loans had an LTV greater than 100%

Type	False Claim	Reality
Simultaneous Second False Claim	24.77% of homes associated with mortgages in the pool had a simultaneous second lien on page S-40 of the CARR 2006-NC5 Prospectus Supplement	25.26% of the homes associated with mortgages in the pool had a simultaneous second lien

122. VRS purchased certificates from the A3 tranche of the CARR 2006-NC5 Certificates with CUSIP No. 144539AC7 based upon the false claims set forth above, which were material to VRS's investment decision.

(v) ABFC 2006-OPT1 Trust

123. The ABFC 2006-OPT1 Trust Certificates ("**ABFC 2006-OPT1 Certificates**") were issued pursuant to a prospectus supplement dated August 8, 2006 (the "**ABFC 2006-OPT1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ABFC 2006-OPT1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ABFC 2006-OPT1 Certificates: Banc of America.

124. The ABFC 2006-OPT1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	92.91% of mortgages in pool were listed as owner occupied mortgages on page A-8 of the ABFC 2006-OPT1 Prospectus Supplement	Only 87.62% of homes were owner occupied
Loan to Value False Claim	46.78% of mortgages in pool were listed as having an LTV greater than 80% on page A-4 of the ABFC 2006-OPT1 Prospectus Supplement	67.56% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-4 of the ABFC 2006-OPT1 Prospectus Supplement	20.9% of loans had an LTV greater than 100%

Type	False Claim	Reality
Simultaneous Second False Claim	13.61% of homes associated with mortgages in the pool had a simultaneous second lien on page S-12 of the ABFC 2006-OPT1 Prospectus Supplement	13.8% of the homes associated with mortgages in the pool had a simultaneous second lien

125. VRS purchased certificates from the M2 tranche of the ABFC 2006-OPT1 Certificates with CUSIP No. 00075QAF9 based upon the false claims set forth above, which were material to VRS's investment decision.

(w) HarborView Mortgage Loan Trust 2005-7

126. The HarborView Mortgage Loan Trust 2005-7 Certificates ("**HVMLT 2005-7 Certificates**") were issued pursuant to a prospectus supplement dated June 28, 2005 (the "**HVMLT 2005-7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HVMLT 2005-7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HVMLT 2005-7 Certificates: RBS Greenwich.

127. The HVMLT 2005-7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	76.24% of mortgages in pool were listed as owner occupied mortgages on page S-34 of the HVMLT 2005-7 Prospectus Supplement	Only 72.47% of homes were owner occupied
Loan to Value False Claim	9.02% of mortgages in pool were listed as having an LTV greater than 80% on page S-35 of the HVMLT 2005-7 Prospectus Supplement	39.05% of loans had an LTV greater than 80%

Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-35 of the HVMLT 2005-7 Prospectus Supplement	8.31% of loans had an LTV greater than 100%
Simultaneous Second False Claim	22.92% of homes associated with mortgages in the pool had a simultaneous second lien on page S-26 of the HVMLT 2005-7 Prospectus Supplement	24.24% of the homes associated with mortgages in the pool had a simultaneous second lien

128. VRS purchased certificates from the 1A1 tranche of the HVMLT 2005-7 Certificates with CUSIP No. 41161PPN7 based upon the false claims set forth above, which were material to VRS's investment decision.

(x) Renaissance Home Equity Loan Trust 2007-1

129. The Renaissance Home Equity Loan Trust 2007-1 Certificates ("**RAMC 2007-1 Certificates**") were issued pursuant to a prospectus supplement dated March 14, 2007 (the "**RAMC 2007-1 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the RAMC 2007-1 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the RAMC 2007-1 Certificates: Citigroup and Banc of America.

130. The RAMC 2007-1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.33% of mortgages in pool were listed as owner occupied mortgages on page S-48 of the RAMC 2007-1 Prospectus Supplement	Only 90.68% of homes were owner occupied
Loan to Value False Claim	38.04% of mortgages in pool were listed as having an LTV greater than 80% on page S-48 of the RAMC 2007-1 Prospectus Supplement	52.87% of loans had an LTV greater than 80%
Loan to Value	0.00% of mortgages in pool were	21.7% of loans had an

False Claim	listed as having an LTV greater than 100% on page S-48 of the RAMC 2007-1 Prospectus Supplement	LTV greater than 100%
Simultaneous Second False Claim	0.55% of homes associated with mortgages in the pool had a simultaneous second lien on page S-16 of the RAMC 2007-1 Prospectus Supplement	0.97% of the homes associated with mortgages in the pool had a simultaneous second lien

131. VRS purchased certificates from the AF1 tranche of the RAMC 2007-1 Certificates with CUSIP No. 75970JAD8 based upon the false claims set forth above, which were material to VRS's investment decision.

(y) HarborView Mortgage Loan Trust 2006-2

132. The HarborView Mortgage Loan Trust 2006-2 Certificates ("**HVMLT 2006-2 Certificates**") were issued pursuant to a prospectus supplement dated March 28, 2006 (the "**HVMLT 2006-2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HVMLT 2006-2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HVMLT 2006-2 Certificates: RBS Greenwich.

133. The HVMLT 2006-2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.75% of mortgages in pool were listed as owner occupied mortgages on page S-37 of the HVMLT 2006-2 Prospectus Supplement	Only 94.28% of homes were owner occupied
Loan to Value False Claim	1.82% of mortgages in pool were listed as having an LTV greater than 80% on page S-38 of the HVMLT 2006-2 Prospectus Supplement	29.63% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than	7.34% of loans had an LTV greater than 100%

	100% on page S-38 of the HVMLT 2006-2 Prospectus Supplement	
Simultaneous Second False Claim	5.35% of homes associated with mortgages in the pool had a simultaneous second lien on page S-18 of the HVMLT 2006-2 Prospectus Supplement	5.94% of the homes associated with mortgages in the pool had a simultaneous second lien

134. VRS purchased certificates from the 1A tranche of the HVMLT 2006-2 Certificates with CUSIP No. 41161PJ38 based upon the false claims set forth above, which were material to VRS's investment decision.

(z) RBSGC Mortgage Loan Trust 2007-B (Group III Certificates)

135. The RBSGC Mortgage Loan Trust 2007-B Group III Certificates ("**RBSGC 2007-B Certificates**") were issued pursuant to a prospectus supplement dated March 28, 2007 (the "**RBSGC 2007-B Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RBSGC 2007-B Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RBSGC 2007-B Certificates: RBS Greenwich.

136. The RBSGC 2007-B Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	98.48% of mortgages in pool were listed as owner occupied mortgages on page B-38 of the RBSGC 2007-B Prospectus Supplement	Only 91.68% of homes were owner occupied
Loan to Value False Claim	3.09% of mortgages in pool were listed as having an LTV greater than 80% on page B-40 of the RBSGC 2007-B Prospectus Supplement	20.96% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page B-40 of the RBSGC	4.56% of loans had an LTV greater than 100%

	2007-B Prospectus Supplement	
Simultaneous Second False Claim	18.52% of homes associated with mortgages in the pool had a simultaneous second lien on page S-23 of the RBSGC 2007-B Prospectus Supplement	19.03% of the homes associated with mortgages in the pool had a simultaneous second lien

137. VRS purchased certificates from the 3B6 and 3B4 tranches of the RBSGC 2007-B Certificates with CUSIP No. 74927XAZ5 and 74927XAX0 based upon the false claims set forth above, which were material to VRS's investment decision.

(aa) CSAB MORTGAGE-BACKED TRUST 2006-4

138. The CSAB MORTGAGE-BACKED TRUST 2006-4 Certificates ("**CSAB 2006-4 Certificates**") were issued pursuant to a prospectus supplement dated November 28, 2006 (the "**CSAB 2006-4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CSAB 2006-4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CSAB 2006-4 Certificates: Credit Suisse.

139. The CSAB 2006-4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	65.53% of mortgages in pool were listed as owner occupied mortgages on page S-27 of the CSAB 2006-4 Prospectus Supplement	Only 64.43% of homes were owner occupied
Loan to Value False Claim	0.22% of mortgages in pool were listed as having an LTV greater than 80% on page S-24 of the CSAB 2006-4 Prospectus Supplement	66.77% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than	14.17% of loans had an LTV greater than 100%

	100% on page S-24 of the CSAB 2006-4 Prospectus Supplement	
Simultaneous Second False Claim	54.17% of homes associated with mortgages in the pool had a simultaneous second lien on page S-17 of the CSAB 2006-4 Prospectus Supplement	54.19% of the homes associated with mortgages in the pool had a simultaneous second lien

140. VRS purchased certificates from the A1A tranche of the CSAB 2006-4 Certificates with CUSIP No. 12628LAA8 based upon the false claims set forth above, which were material to VRS's investment decision.

(bb) WaMu Mortgage Pass-Through Certificates, Series 2007-HY1

141. The WaMu Mortgage Pass-Through Certificates, Series 2007-HY1 Certificates ("**WAMU 2007-HY1 Certificates**") were issued pursuant to a prospectus supplement dated January 22, 2007 (the "**WAMU 2007-HY1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2007-HY1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2007-HY1 Certificates: WaMu.

142. The WAMU 2007-HY1 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	91.72% of mortgages in pool were listed as owner occupied mortgages on page S-119 of the WAMU 2007-HY1 Prospectus Supplement	Only 87.83% of homes were owner occupied
Loan to Value False Claim	12.45% of mortgages in pool were listed as having an LTV greater than 80% on page S-121 of the WAMU 2007-HY1 Prospectus Supplement	40.84% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than	10.95% of loans had an LTV greater than 100%

	100% on page S-121 of the WAMU 2007-HY1 Prospectus Supplement	
Simultaneous Second False Claim	6.52% of homes associated with mortgages in the pool had a simultaneous second lien according to the WAMU 2007-HY1 Free Writing Prospectus	18.54% of the homes associated with mortgages in the pool had a simultaneous second lien

143. VRS purchased certificates from the 4A1 tranche of the WAMU 2007-HY1 Certificates with CUSIP No. 92925VAM2 based upon the false claims set forth above, which were material to VRS's investment decision.

(cc) GSAMP Trust 2007-HE2

144. The GSAMP Trust 2007-HE2 Certificates ("**GSAMP 2007-HE2 Certificates**") were issued pursuant to a prospectus supplement dated April 17, 2007 (the "**GSAMP 2007-HE2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GSAMP 2007-HE2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GSAMP 2007-HE2 Certificates: Goldman Sachs.

145. The GSAMP 2007-HE2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	92.14% of mortgages in pool were listed as owner occupied mortgages on page A-18 of the GSAMP 2007-HE2 Prospectus Supplement	Only 88.77% of homes were owner occupied
Loan to Value False Claim	37.81% of mortgages in pool were listed as having an LTV greater than 80% on page S-44 of the GSAMP 2007-HE2 Prospectus Supplement	58.02% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-44 of the GSAMP	22% of loans had an LTV greater than 100%

	2007-HE2 Prospectus Supplement	
Simultaneous Second False Claim	25.57% of homes associated with mortgages in the pool had a simultaneous second lien on page S-44 of the GSAMP 2007-HE2 Prospectus Supplement	33.72% of the homes associated with mortgages in the pool had a simultaneous second lien

146. VRS purchased certificates from the A2A tranche of the GSAMP 2007-HE2 Certificates with CUSIP No. 362440AB5 based upon the false claims set forth above, which were material to VRS's investment decision.

(dd) MASTR Asset Backed Securities Trust 2006-WMC4

147. The MASTR Asset Backed Securities Trust 2006-WMC4 Certificates ("**MABS 2006-WMC4 Certificates**") were issued pursuant to a prospectus supplement dated November 3, 2006 (the "**MABS 2006-WMC4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MABS 2006-WMC4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MABS 2006-WMC4 Certificates: UBS.

148. The MABS 2006-WMC4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.1% of mortgages in pool were listed as owner occupied mortgages on page 30 of the MABS 2006-WMC4 Prospectus Supplement	Only 87.9% of homes were owner occupied
Loan to Value False Claim	26.75% of mortgages in pool were listed as having an LTV greater than 80% on page 31 of the MABS 2006-WMC4 Prospectus Supplement	84.28% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 31 of the MABS 2006-WMC4 Prospectus Supplement	15% of loans had an LTV greater than 100%

Simultaneous Second False Claim	56.57% of homes associated with mortgages in the pool had a simultaneous second lien on page 19 of the MABS 2006-WMC4 Prospectus Supplement	56.86% of the homes associated with mortgages in the pool had a simultaneous second lien

149. VRS purchased certificates from the M1 tranche of the MABS 2006-WMC4 Certificates with CUSIP No. 57645MAG7 based upon the false claims set forth above, which were material to VRS's investment decision.

(ee) Option One Mortgage Loan Trust 2007-5

150. The Option One Mortgage Loan Trust 2007-5 Certificates ("**OOMLT 2007-5 Certificates**") were issued pursuant to a prospectus supplement dated April 19, 2007 (the "**OOMLT 2007-5 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the OOMLT 2007-5 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the OOMLT 2007-5 Certificates: RBS Greenwich and Banc of America.

151. The OOMLT 2007-5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	87.19% of mortgages in pool were listed as owner occupied mortgages on page S-35 of the OOMLT 2007-5 Prospectus Supplement	Only 82% of homes were owner occupied
Loan to Value False Claim	49.79% of mortgages in pool were listed as having an LTV greater than 80% on page S-35 of the OOMLT 2007-5 Prospectus Supplement	72.08% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-35 of the OOMLT 2007-5 Prospectus Supplement	28.07% of loans had an LTV greater than 100%
Simultaneous	8.25% of homes associated with	8.93% of the homes as-

Second False Claim	mortgages in the pool had a simultaneous second lien on page S-23 of the OOMLT 2007-5 Prospectus Supplement	sociated with mortgages in the pool had a simultaneous second lien

152. VRS purchased certificates from the M6 tranche of the OOMLT 2007-5 Certificates with CUSIP No. 68403HAL6 based upon the false claims set forth above, which were material to VRS's investment decision.

(ff) First Franklin Mortgage Loan Trust 2006-FF11

153. The First Franklin Mortgage Loan Trust 2006-FF11 Certificates ("**FFML 2006-FF11 Certificates**") were issued pursuant to a prospectus supplement dated August 29, 2006 (the "**FFML 2006-FF11 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FFML 2006-FF11 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FFML 2006-FF11 Certificates: HSBC.

154. The FFML 2006-FF11 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.31% of mortgages in pool were listed as owner occupied mortgages on page A-17 of the FFML 2006-FF11 Prospectus Supplement	Only 86.81% of homes were owner occupied
Loan to Value False Claim	28.3% of mortgages in pool were listed as having an LTV greater than 80% on page A-7 of the FFML 2006-FF11 Prospectus Supplement	83.58% of loans had an LTV greater than 80%
Loan to Value False Claim	0.05% of mortgages in pool were listed as having an LTV greater than 100% on page A-7 of the FFML 2006-FF11 Prospectus Supplement	15.74% of loans had an LTV greater than 100%
Simultaneous Second False	55.65% of homes associated with mortgages in the pool had a simulta-	60.09% of the homes associated with mort-

Claim	neous second lien according to the FFML 2006-FF11 Free Writing Prospectus	gages in the pool had a simultaneous second lien

155. VRS purchased certificates from the M1 tranche of the FFML 2006-FF11 Certificates with CUSIP No. 32028PAG0 based upon the false claims set forth above, which were material to VRS's investment decision.

(gg) Option One Mortgage Loan Trust 2007-3

156. The Option One Mortgage Loan Trust 2007-3 Certificates ("**OOMLT 2007-3 Certificates**") were issued pursuant to a prospectus supplement dated April 2, 2007 (the "**OOMLT 2007-3 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the OOMLT 2007-3 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the OOMLT 2007-3 Certificates: RBS Greenwich and Banc of America.

157. The OOMLT 2007-3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	87.41% of mortgages in pool were listed as owner occupied mortgages on page S-35 of the OOMLT 2007-3 Prospectus Supplement	Only 81.61% of homes were owner occupied
Loan to Value False Claim	49.58% of mortgages in pool were listed as having an LTV greater than 80% on page S-35 of the OOMLT 2007-3 Prospectus Supplement	71.81% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-35 of the OOMLT 2007-3 Prospectus Supplement	28.63% of loans had an LTV greater than 100%

Type	False Claim	Reality
Simultaneous Second False Claim	7.71% of homes associated with mortgages in the pool had a simultaneous second lien on page S-22 of the OOMLT 2007-3 Prospectus Supplement	9.46% of the homes associated with mortgages in the pool had a simultaneous second lien

158. VRS purchased certificates from the M6 tranche of the OOMLT 2007-3 Certificates with CUSIP No. 68402BAL0 based upon the false claims set forth above, which were material to VRS's investment decision.

(hh) WaMu Mortgage Pass-Through Certificates Series 2007-HY5

159. The WaMu Mortgage Pass-Through Certificates Series 2007-HY5 Certificates ("**WAMU 2007-HY5 Certificates**") were issued pursuant to a prospectus supplement dated April 23, 2007 (the "**WAMU 2007-HY5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2007-HY5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2007-HY5 Certificates: WaMu.

160. The WAMU 2007-HY5 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	91.62% of mortgages in pool were listed as owner occupied mortgages on page S-126 of the WAMU 2007-HY5 Prospectus Supplement	Only 79.89% of homes were owner occupied
Loan to Value False Claim	0% of mortgages in pool were listed as having an LTV greater than 80% on page S-125 of the WAMU 2007-HY5 Prospectus Supplement	46.18% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-125 of the WAMU 2007-HY5 Prospectus Supplement	15.69% of loans had an LTV greater than 100%

Type	False Claim	Reality
Simultaneous Second False Claim	17.42% of homes associated with mortgages in the pool had a simultaneous second lien according to the WAMU 2007-HY5 Free Writing Prospectus	31.38% of the homes associated with mortgages in the pool had a simultaneous second lien

161. VRS purchased certificates from the 3A1 tranche of the WAMU 2007-HY5 Certificates with CUSIP No. 92990GAJ2 based upon the false claims set forth above, which were material to VRS's investment decision.

(ii) American Home Mortgage Assets Trust 2006-6

162. The American Home Mortgage Assets Trust 2006-6 Certificates ("**AHMA 2006-6 Certificates**") were issued pursuant to a prospectus supplement dated October 27, 2006 (the "**AHMA 2006-6 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the AHMA 2006-6 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the AHMA 2006-6 Certificates: Countrywide.

163. The AHMA 2006-6 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	77.36% of mortgages in pool were listed as owner occupied mortgages on page A-8 of the AHMA 2006-6 Prospectus Supplement	Only 73.39% of homes were owner occupied
Loan to Value False Claim	21.67% of mortgages in pool were listed as having an LTV greater than 80% on page A-5 of the AHMA 2006-6 Prospectus Supplement	53.77% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-5 of the AHMA 2006-6 Prospectus Supplement	18.87% of loans had an LTV greater than 100%

Type	False Claim	Reality
Simultaneous Second False Claim	2.91% of homes associated with mortgages in the pool had a simultaneous second lien according to the AHMA 2006-6 Free Writing Prospectus	3.7% of the homes associated with mortgages in the pool had a simultaneous second lien

164. VRS purchased certificates from the A1A and A1C tranches of the AHMA 2006-6 Certificates with CUSIP No. 008684AA0 and 008684AC6 based upon the false claims set forth above, which were material to VRS's investment decision.

(jj) IndyMac INDX Mortgage Loan Trust 2007-AR21IP

165. The IndyMac INDX Mortgage Loan Trust 2007-AR21IP Certificates ("**INDX 2007-AR5 Certificates**") were issued pursuant to a prospectus supplement dated November 5, 2007 (the "**INDX 2007-AR5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the INDX 2007-AR5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the INDX 2007-AR5 Certificates: Credit Suisse.

166. The INDX 2007-AR5 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	2.51% of mortgages in pool were listed as having an LTV greater than 80% on page S-54 of the INDX 2007-AR5 Prospectus Supplement	72.54% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-54 of the INDX 2007-AR5 Prospectus Supplement	16.51% of loans had an LTV greater than 100%
Simultaneous Second False	60.82% of homes associated with mortgages in the pool had a simulta-	61.05% of the homes associated with mort-

Claim	neous second lien according to the INDX 2007-AR5 Free Writing Prospectus	gages in the pool had a simultaneous second lien

167. VRS purchased certificates from the 2A1 tranche of the INDX 2007-AR5 Certificates with CUSIP No. 45669EAC0 based upon the false claims set forth above, which were material to VRS's investment decision.

(kk) ABFC 2006-OPT3 Trust

168. The ABFC 2006-OPT3 Trust Certificates ("**ABFC 2006-OPT3 Certificates**") were issued pursuant to a prospectus supplement dated November 13, 2006 (the "**ABFC 2006-OPT3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ABFC 2006-OPT3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ABFC 2006-OPT3 Certificates: Banc of America.

169. The ABFC 2006-OPT3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.35% of mortgages in pool were listed as owner occupied mortgages on page A-7 of the ABFC 2006-OPT3 Prospectus Supplement	Only 85.72% of homes were owner occupied
Loan to Value False Claim	0.46% of mortgages in pool were listed as having an LTV greater than 100% on page A-3 of the ABFC 2006-OPT3 Prospectus Supplement	29.57% of loans had an LTV greater than 100%
Simultaneous Second False Claim	0.12% of homes associated with mortgages in the pool had a simultaneous second lien on page S-14 of the	0.17% of the homes associated with mortgages in the pool had a

	ABFC 2006-OPT3 Prospectus Supplement	simultaneous second lien

170. VRS purchased certificates from the A3B tranche of the ABFC 2006-OPT3 Certificates with CUSIP No. 00075VAD3 based upon the false claims set forth above, which were material to VRS's investment decision.

(ll) Renaissance Home Equity Loan Trust 2006-1

171. The Renaissance Home Equity Loan Trust 2006-1 Certificates ("**RAMC 2006-4 Certificates**") were issued pursuant to a prospectus supplement dated December 1, 2006 (the "**RAMC 2006-4 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the RAMC 2006-4 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the RAMC 2006-4 Certificates: RBS Greenwich and Deutsche Bank.

172. The RAMC 2006-4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	31.23% of mortgages in pool were listed as having an LTV greater than 80% on page S-47 of the RAMC 2006-4 Prospectus Supplement	44.62% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-47 of the RAMC 2006-4 Prospectus Supplement	17.65% of loans had an LTV greater than 100%
Simultaneous Second False	1.03% of homes associated with mortgages in the pool had a simulta-	1.07% of the homes associated with mortgag-

Claim	neous second lien on page S-15 of the RAMC 2006-4 Prospectus Supplement	es in the pool had a simultaneous second lien

173. VRS purchased certificates from the AF1 tranche of the RAMC 2006-4 Certificates with CUSIP No. 75970HAD2 based upon the false claims set forth above, which were material to VRS's investment decision.

(mm) Bear Stearns Asset Backed Securities I Trust 2007-AQ2

174. The Bear Stearns Asset Backed Securities I Trust 2007-AQ2 Certificates ("**BSABS 2007-AQ2 Certificates**") were issued pursuant to a prospectus supplement dated February 26, 2007 (the "**BSABS 2007-AQ2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BSABS 2007-AQ2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BSABS 2007-AQ2 Certificates: Bear Stearns.

175. The BSABS 2007-AQ2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	86.27% of mortgages in pool were listed as owner occupied mortgages on page 67 of the BSABS 2007-AQ2 Prospectus Supplement	Only 80.81% of homes were owner occupied
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 65 of the BSABS 2007-AQ2 Prospectus Supplement	26.04% of loans had an LTV greater than 100%
Simultaneous Second False Claim	0.23% of homes associated with mortgages in the pool had a simultaneous second lien on page 16 of the	0.66% of the homes associated with mortgages in the pool had a

	BSABS 2007-AQ2 Prospectus Supplement	simultaneous second lien

176. VRS purchased certificates from the A1 tranche of the BSABS 2007-AQ2 Certificates with CUSIP No. 073857AA2 based upon the false claims set forth above, which were material to VRS's investment decision.

(nn) HIS Asset Securitization Corporation Trust 2007-NC1

177. The HIS Asset Securitization Corporation Trust 2007-NC1 Certificates ("**HASC 2007-NC1 Certificates**") were issued pursuant to a prospectus supplement dated July 4, 2007 (the "**HASC 2007-NC1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HASC 2007-NC1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HASC 2007-NC1 Certificates: HSBC.

178. The HASC 2007-NC1 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.03% of mortgages in pool were listed as owner occupied mortgages on page A-17 of the HASC 2007-NC1 Prospectus Supplement	Only 85.48% of homes were owner occupied
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-8 of the HASC 2007-NC1 Prospectus Supplement	22.72% of loans had an LTV greater than 100%
Simultaneous Second False Claim	24.2% of homes associated with mortgages in the pool had a simultaneous second lien according to the HASC 2007-NC1 Free Writing Prospectus	24.56% of the homes associated with mortgages in the pool had a simultaneous second lien

179. VRS purchased certificates from the A4 tranche of the HASC 2007-NC1 Certificates with CUSIP No. 40430TAD4 based upon the false claims set forth above, which were material to VRS's investment decision.

(oo) Bear Stearns Asset Backed Securities I Trust 2007-HE7

180. The Bear Stearns Asset Backed Securities I Trust 2007-HE7 Certificates ("**BSABS 2006-HE7 Certificates"**) were issued pursuant to a prospectus supplement dated September 17, 2007 (the "**BSABS 2006-HE7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BSABS 2006-HE7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BSABS 2006-HE7 Certificates: Bear Stearns.

181. The BSABS 2006-HE7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	33.17% of mortgages in pool were listed as having an LTV greater than 80% on page A-17 of the BSABS 2006-HE7 Prospectus Supplement	50.53% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-17 of the BSABS 2006-HE7 Prospectus Supplement	13.19% of loans had an LTV greater than 100%
Simultaneous Second False Claim	1.18% of homes associated with mortgages in the pool had a simultaneous second lien on page S-31 of the BSABS 2006-HE7 Prospectus Supplement	29.74% of the homes associated with mortgages in the pool had a simultaneous second lien

182. VRS purchased certificates from the 2A2 tranche of the BSABS 2006-HE7 Certificates with CUSIP No. 07388HAP4 based upon the false claims set forth above, which were material to VRS's investment decision.

(pp) Bear Stearns ARM Trust 2007-1

183. The Bear Stearns ARM Trust 2007-1 Certificates ("**BSARM 2007-1 Certificates**") were issued pursuant to a prospectus supplement dated February 27, 2007 (the "**BSARM 2007-1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BSARM 2007-1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BSARM 2007-1 Certificates: Bear Stearns.

184. The BSARM 2007-1 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-44 of the BSARM 2007-1 Prospectus Supplement	17.63% of loans had an LTV greater than 100%
Simultaneous Second False Claim	31.72% of homes associated with mortgages in the pool had a simultaneous second lien according to the BSARM 2007-1 Free Writing Prospectus	32.66% of the homes associated with mortgages in the pool had a simultaneous second lien

185. VRS purchased certificates from the 2A1 tranche of the BSARM 2007-1 Certificates with CUSIP No. 073880AD8 based upon the false claims set forth above, which were material to VRS's investment decision.

(qq) Securitized Asset Backed Receivables LLC Trust 2007-BR4

186. The Securitized Asset Backed Receivables LLC Trust 2007-BR4 Certificates ("**SABR 2007-BR4 Certificates**") were issued pursuant to a prospectus supplement dated June 13, 2007 (the "**SABR 2007-BR4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SABR 2007-BR4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SABR 2007-BR4 Certificates: Barclays.

187. The SABR 2007-BR4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	51.07% of mortgages in pool were listed as having an LTV greater than 80% on page S-43 of the SABR 2007-BR4 Prospectus Supplement	64.16% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-43 of the SABR 2007-BR4 Prospectus Supplement	28.28% of loans had an LTV greater than 100%
Simultaneous Second False Claim	18.45% of homes associated with mortgages in the pool had a simultaneous second lien on page S-43 of the SABR 2007-BR4 Prospectus Supplement	20.69% of the homes associated with mortgages in the pool had a simultaneous second lien

188. VRS purchased certificates from the A2B tranche of the SABR 2007-BR4 Certificates with CUSIP No. 81378EAB9 based upon the false claims set forth above, which were material to VRS's investment decision.

(rr) 2006-CB8 Trust

189. The 2006-CB8 Trust Certificates ("**CBASS 2006-CB8 Certificates**") were issued pursuant to a prospectus supplement dated October 26, 2006 (the

"**CBASS 2006-CB8 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CBASS 2006-CB8 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CBASS 2006-CB8 Certificates: Merrill Lynch.

190. The CBASS 2006-CB8 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	A weighted average of 93.62% of mortgages in pools were owner occupied mortgages according to page A-II-2 of the CBASS 2006-CB8 Prospectus Supplement	Only 87.25% of homes were owner occupied
Simultaneous Second False Claim	27.3% of homes associated with mortgages in the pools had a simultaneous second lien according to the CBASS 2006-CB8 Free Writing Prospectus	28.36% of the homes associated with mortgages in the pools had a simultaneous second lien

191. VRS purchased certificates from the A2C tranche of the CBASS 2006-CB8 Certificates with CUSIP No. 1248P1AD6 based upon the false claims set forth above, which were material to VRS's investment decision.

(ss) Specialty Underwriting and Residential Finance Trust, Series 2006-BC5

192. The Specialty Underwriting and Residential Finance Trust, Series 2006-BC5 Certificates ("**SURF 2006-BC5 Certificates**") were issued pursuant to a prospectus supplement dated November 22, 2006 (the "**SURF 2006-BC5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SURF 2006-BC5 Prospectus Supplement and played a critical role in

the fraudulent structuring, offering, and sale of the SURF 2006-BC5 Certificates: Merrill Lynch.

193. The SURF 2006-BC5 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	A weighted average of 97.57% of mortgages in pools were owner occupied mortgages according to page A-II-6 of the SURF 2006-BC5 Prospectus Supplement	Only 93.26% of homes were owner occupied
Simultaneous Second False Claim	28.12% of homes associated with mortgages in the pools had a simultaneous second lien according to the SURF 2006-BC5 Free Writing Prospectus	28.88% of the homes associated with mortgages in the pools had a simultaneous second lien

194. VRS purchased certificates from the A2D tranche of the SURF 2006-BC5 Certificates with CUSIP No. 84751NAE4 based upon the false claims set forth above, which were material to VRS's investment decision.

(tt) Specialty Underwriting and Residential Finance Trust, Series 2007-AB1

195. The Specialty Underwriting and Residential Finance Trust, Series 2007-AB1 Certificates ("**SURF 2007-AB1 Certificates**") were issued pursuant to a prospectus supplement dated March 22, 2007 (the "**SURF 2007-AB1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SURF 2007-AB1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SURF 2007-AB1 Certificates: Merrill Lynch.

196. The SURF 2007-AB1 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	87.62% of mortgages in pool were listed as owner occupied mortgages on page A-II-27 of the SURF 2007-AB1 Prospectus Supplement	Only 77.48% of homes were owner occupied
Simultaneous Second False Claim	42.85% of homes associated with mortgages in the pool had a simultaneous second lien according to the SURF 2007-AB1 Free Writing Prospectus	44.22% of the homes associated with mortgages in the pool had a simultaneous second lien

197. VRS purchased certificates from the A2A tranche of the SURF 2007-AB1 Certificates with CUSIP No. 84752CAB3 based upon the false claims set forth above, which were material to VRS's investment decision.

(uu) WaMu Mortgage Pass-Through Certificates, Series 2007-HY3 (Group I)

198. The WaMu Mortgage Pass-Through Certificates, Series 2007-HY3 Group I Certificates ("**WAMU 2007-HY3 Certificates**") were issued pursuant to a prospectus supplement dated February 23, 2007 (the "**WAMU 2007-HY3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2007-HY3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2007-HY3 Certificates: WaMu.

199. The WAMU 2007-HY3 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality

Owner Occupancy False Claim	92.47% of mortgages in pool were listed as owner occupied mortgages on page S-98 of the WAMU 2007-HY3 Prospectus Supplement	Only 88.02% of homes were owner occupied
Loan to Value False Claim	16.64% of mortgages in pool were listed as having an LTV greater than 80% on page S-99 of the WAMU 2007-HY3 Prospectus Supplement	49.67% of loans had an LTV greater than 80%
Simultaneous Second False Claim	6.2% of homes associated with mortgages in the pool had a simultaneous second lien according to the WAMU 2007-HY3 Free Writing Prospectus	32.14% of the homes associated with mortgages in the pool had a simultaneous second lien

200. VRS purchased certificates from the 1A1 tranche of the WAMU 2007-HY3 Certificates with CUSIP No. 933634AA5 based upon the false claims set forth above, which were material to VRS's investment decision.

(vv) WaMu Mortgage Pass-Through Certificates, Series 2007-HY6

201. The WaMu Mortgage Pass-Through Certificates, Series 2007-HY6 Certificates ("**WAMU 2007-HY6 Certificates**") were issued pursuant to a prospectus supplement dated May 21, 2007 (the "**WAMU 2007-HY6 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2007-HY6 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2007-HY6 Certificates: WaMu.

202. The WAMU 2007-HY6 Prospectus Supplement and Free Writing Prospectus include the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.3% of mortgages in pool were listed as owner occupied mortgages on page S-103 of the WAMU 2007-HY6 Prospectus Supplement	Only 83.61% of homes were owner occupied
Loan to Value	23.65% of mortgages in pool were	46.11% of loans had an

False Claim	listed as having an LTV greater than 80% on page S-104 of the WAMU 2007-HY6 Prospectus Supplement	LTV greater than 80%
Simultaneous Second False Claim	34.44% of homes associated with mortgages in the pool had a simultaneous second lien according to the WAMU 2007-HY6 Free Writing Prospectus	35.75% of the homes associated with mortgages in the pool had a simultaneous second lien

203. VRS purchased certificates from the 1A1 tranche of the WAMU 2007-HY6 Certificates with CUSIP No. 92927XAA2 based upon the false claims set forth above, which were material to VRS's investment decision.

(ww) Argent Securities Trust 2006-W4

204. The Argent Securities Trust 2006-W4 Certificates ("**ARSI 2006-W4 Certificates**") were issued pursuant to a prospectus supplement dated April 19, 2006 (the "**ARSI 2006-W4 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the ARSI 2006-W4 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the ARSI 2006-W4 Certificates: JP Morgan and Banc of America.

205. The ARSI 2006-W4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.32% of mortgages in pool were listed as owner occupied mortgages on page III-27 of the ARSI 2006-W4 Prospectus Supplement	Only 84.68% of homes were owner occupied
Loan to Value False Claim	35.08% of mortgages in pool were listed as having an LTV greater than 80% on page III-24 of the ARSI 2006-W4 Prospectus Supplement	40.15% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than	9.43% of loans had an LTV greater than 100%

	100% on page III-24 of the ARSI 2006-W4 Prospectus Supplement	

206. VRS purchased certificates from the A2C tranche of the ARSI 2006-W4 Certificates with CUSIP No. 040104TG6 based upon the false claims set forth above, which were material to VRS's investment decision.

(xx) Long Beach Mortgage Loan Trust 2005-WL2

207. The Long Beach Mortgage Loan Trust 2005-WL2 Certificates ("**LBMLT 2005-WL2 Certificates**") were issued pursuant to a prospectus supplement dated August 25, 2005 (the "**LBMLT 2005-WL2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the LBMLT 2005-WL2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the LBMLT 2005-WL2 Certificates: Credit Suisse.

208. The LBMLT 2005-WL2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.56% of mortgages in pool were listed as owner occupied mortgages on page S-30, S-42, and S-53 of the LBMLT 2005-WL2 Prospectus Supplement	Only 80.7% of homes were owner occupied
Loan to Value False Claim	27.58% of mortgages in pool were listed as having an LTV greater than 80% on page S-31, S-42, and S-53 of the LBMLT 2005-WL2 Prospectus Supplement	42.95% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-31, S-42, and S-53 of the LBMLT 2005-WL2 Prospectus Supplement	12.86% of loans had an LTV greater than 100%

209. VRS purchased certificates from the M1 tranche of the LBMLT 2005-WL2 Certificates with CUSIP No. 542514NB6 based upon the false claims set forth above, which were material to VRS's investment decision.

(yy) First Horizon Alternative Mortgage Securities Trust 2005-FA9

210. The First Horizon Alternative Mortgage Securities Trust 2005-FA9 Certificates ("**FHAMS 2005-FA9 Certificates**") were issued pursuant to a prospectus supplement dated October 27, 2005 (the "**FHAMS 2005-FA9 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FHAMS 2005-FA9 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FHAMS 2005-FA9 Certificates: Credit Suisse.

211. The FHAMS 2005-FA9 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	76.73% of mortgages in pool were listed as owner occupied mortgages on page 106 of the FHAMS 2005-FA9 Prospectus Supplement	Only 71.68% of homes were owner occupied
Loan to Value False Claim	2.21% of mortgages in pool were listed as having an LTV greater than 80% on page 104 of the FHAMS 2005-FA9 Prospectus Supplement	29% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 104 of the FHAMS 2005-FA9 Prospectus Supplement	7.37% of loans had an LTV greater than 100%

212. VRS purchased certificates from the B3 tranche of the FHAMS 2005-FA9 Certificates with CUSIP No. 32051GZZ1 based upon the false claims set forth above, which were material to VRS's investment decision.

(zz) American Home Mortgage Assets Trust 2006-5

213. The American Home Mortgage Assets Trust 2006-5 Certificates ("**AHMA 2006-5 Certificates**") were issued pursuant to a prospectus supplement dated September 22, 2006 (the "**AHMA 2006-5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the AHMA 2006-5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the AHMA 2006-5 Certificates: Deutsche Bank.

214. The AHMA 2006-5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	75.81% of mortgages in pool were listed as owner occupied mortgages on page A-9 of the AHMA 2006-5 Prospectus Supplement	Only 72.82% of homes were owner occupied
Loan to Value False Claim	20.47% of mortgages in pool were listed as having an LTV greater than 80% on page A-7 of the AHMA 2006-5 Prospectus Supplement	55.19% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-7 of the AHMA 2006-5 Prospectus Supplement	18.25% of loans had an LTV greater than 100%

215. VRS purchased certificates from the A2 tranche of the AHMA 2006-5 Certificates with CUSIP No. 02660KAB8 based upon the false claims set forth above, which were material to VRS's investment decision.

(aaa) Banc of America Funding 2006-3 Trust

216. The Banc of America Funding 2006-3 Trust Certificates ("**BAFC 2006-3 Certificates**") were issued pursuant to a prospectus supplement dated March 28, 2006 (the "**BAFC 2006-3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BAFC 2006-3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BAFC 2006-3 Certificates: Banc of America.

217. The BAFC 2006-3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	91.4% of mortgages in pool were listed as owner occupied mortgages on page A-51 of the BAFC 2006-3 Prospectus Supplement	Only 83.07% of homes were owner occupied
Loan to Value False Claim	0.69% of mortgages in pool were listed as having an LTV greater than 80% on page A-55 of the BAFC 2006-3 Prospectus Supplement	26.92% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-55 of the BAFC 2006-3 Prospectus Supplement	11% of loans had an LTV greater than 100%

218. VRS purchased certificates from the B3 tranche of the BAFC 2006-3 Certificates with CUSIP No. 058931BU9 based upon the false claims set forth above, which were material to VRS's investment decision.

(bbb) New Century Home Equity Loan Trust 2006-1

219. The New Century Home Equity Loan Trust 2006-1 Certificates ("**NCHET 2006-1 Certificates**") were issued pursuant to a prospectus supplement

dated March 23, 2006 (the "**NCHET 2006-1 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the NCHET 2006-1 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the NCHET 2006-1 Certificates: Credit Suisse and Deutsche Bank.

220. The NCHET 2006-1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	89.99% of mortgages in pool were listed as owner occupied mortgages on page S-32 of the NCHET 2006-1 Prospectus Supplement	Only 86.53% of homes were owner occupied
Loan to Value False Claim	41.08% of mortgages in pool were listed as having an LTV greater than 80% on page S-32 of the NCHET 2006-1 Prospectus Supplement	59.57% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-32 of the NCHET 2006-1 Prospectus Supplement	16.06% of loans had an LTV greater than 100%

221. VRS purchased certificates from the M2 tranche of the NCHET 2006-1 Certificates with CUSIP No. 64352VQU8 based upon the false claims set forth above, which were material to VRS's investment decision.

(ccc) Home Equity Asset Trust 2006-7

222. The Home Equity Asset Trust 2006-7 Certificates ("**HEAT 2006-7 Certificates**") were issued pursuant to a prospectus supplement dated September 29, 2006 (the "**HEAT 2006-7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HEAT 2006-7 Prospectus Supple-

ment and played a critical role in the fraudulent structuring, offering, and sale of the HEAT 2006-7 Certificates: Credit Suisse.

223. The HEAT 2006-7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.1% of mortgages in pool were listed as owner occupied mortgages on page S-29 of the HEAT 2006-7 Prospectus Supplement	Only 86.84% of homes were owner occupied
Loan to Value False Claim	26% of mortgages in pool were listed as having an LTV greater than 80% on page S-29 of the HEAT 2006-7 Prospectus Supplement	75.92% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-29 of the HEAT 2006-7 Prospectus Supplement	15.11% of loans had an LTV greater than 100%

224. VRS purchased certificates from the 2A3 tranche of the HEAT 2006-7 Certificates with CUSIP No. 43709NAD5 based upon the false claims set forth above, which were material to VRS's investment decision.

(ddd) CWABS Asset-Backed Certificates, Series 2001-BC3

225. The CWABS Asset-Backed Certificates, Series 2001-BC3 Certificates ("**CWL 2001-BC3 Certificates**") were issued pursuant to a prospectus supplement dated August 28, 2001 (the "**CWL 2001-BC3 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the CWL 2001-BC3 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the CWL 2001-BC3 Certificates: Countrywide and JP Morgan.

226. The CWL 2001-BC3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	43.72% of mortgages in pool were listed as having an LTV greater than 80% on page S-27 of the CWL 2001-BC3 Prospectus Supplement	60.12% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-27 of the CWL 2001-BC3 Prospectus Supplement	23.39% of loans had an LTV greater than 100%

227. VRS purchased certificates from the A tranche of the CWL 2001-BC3 Certificates with CUSIP No. 126671NA0 based upon the false claims set forth above, which were material to VRS's investment decision.

(eee) Banc of America Funding 2005-E Trust

228. The Banc of America Funding 2005-E Trust Certificates ("**BAFC 2005-E Certificates**") were issued pursuant to a prospectus supplement dated June 28, 2005 (the "**BAFC 2005-E Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BAFC 2005-E Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BAFC 2005-E Certificates: Banc of America.

229. The BAFC 2005-E Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	89.7% of mortgages in pool were listed as owner occupied mortgages on page A-37 of the BAFC 2005-E	Only 84.38% of homes were owner occupied

	Prospectus Supplement	
Loan to Value False Claim	0.67% of mortgages in pool were listed as having an LTV greater than 80% on page A-39 of the BAFC 2005-E Prospectus Supplement	26.68% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-39 of the BAFC 2005-E Prospectus Supplement	12.72% of loans had an LTV greater than 100%

230. VRS purchased certificates from the 8A1 tranche of the BAFC 2005-E Certificates with CUSIP No. 05946XXW8 based upon the false claims set forth above, which were material to VRS's investment decision.

(fff) Asset Backed Securities Corporation Home Equity Loan Trust, Series NC 2006-HE2

231. The Asset Backed Securities Corporation Home Equity Loan Trust, Series NC 2006-HE2 Certificates ("**ABSHE 2006-HE2 Certificates**") were issued pursuant to a prospectus supplement dated March 2, 2006 (the "**ABSHE 2006-HE2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ABSHE 2006-HE2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ABSHE 2006-HE2 Certificates: Credit Suisse.

232. The ABSHE 2006-HE2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	88.73% of mortgages in pool were listed as owner occupied mortgages on page S-32 of the ABSHE 2006-HE2 Prospectus Supplement	Only 82.4% of homes were owner occupied

Loan to Value False Claim	40.72% of mortgages in pool were listed as having an LTV greater than 80% on page S-33 of the ABSHE 2006-HE2 Prospectus Supplement	74.98% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-33 of the ABSHE 2006-HE2 Prospectus Supplement	19.89% of loans had an LTV greater than 100%

233. VRS purchased certificates from the M3 tranche of the ABSHE 2006-HE2 Certificates with CUSIP No. 04541GWJ7 based upon the false claims set forth above, which were material to VRS's investment decision.

(ggg) Wells Fargo Mortgage Backed Securities 2006-AR12 Trust

234. The Wells Fargo Mortgage Backed Securities 2006-AR12 Trust Certificates ("**WFMBS 2006-AR12 Certificates**") were issued pursuant to a prospectus supplement dated August 24, 2006 (the "**WFMBS 2006-AR12 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WFMBS 2006-AR12 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WFMBS 2006-AR12 Certificates: Credit Suisse.

235. The WFMBS 2006-AR12 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	92.88% of mortgages in pool were listed as owner occupied mortgages on page A-9 of the WFMBS 2006-AR12 Prospectus Supplement	Only 83.87% of homes were owner occupied
Loan to Value False Claim	1.14% of mortgages in pool were listed as having an LTV greater than	44.53% of loans had an LTV greater than 80%

	80% on page A-8 of the WFMBS 2006-AR12 Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-8 of the WFMBS 2006-AR12 Prospectus Supplement	7.59% of loans had an LTV greater than 100%

236. VRS purchased certificates from the 2A1 tranche of the WFMBS 2006-AR12 Certificates with CUSIP No. 94984GAD9 based upon the false claims set forth above, which were material to VRS's investment decision.

(hhh) IMPAC Secured Assets Corp. Mortgage Pass-Through Certificates, Series 2007-1

237. The IMPAC Secured Assets Corp. Mortgage Pass-Through Certificates, Series 2007-1 Certificates ("**IMSA 2007-1 Certificates**") were issued pursuant to a prospectus supplement dated February 21, 2007 (the "**IMSA 2007-1 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the IMSA 2007-1 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the IMSA 2007-1 Certificates: Countrywide and Bear Stearns.

238. The IMSA 2007-1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	80.34% of mortgages in pool were listed as owner occupied mortgages on page S-38 of the IMSA 2007-1 Prospectus Supplement	Only 71.85% of homes were owner occupied
Loan to Value False Claim	6.93% of mortgages in pool were listed as having an LTV greater than 80% on page S-38 of the IMSA 2007-1	61.85% of loans had an LTV greater than 80%

	Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-38 of the IMSA 2007-1 Prospectus Supplement	7.12% of loans had an LTV greater than 100%

239. VRS purchased certificates from the A1 tranche of the IMSA 2007-1 Certificates with CUSIP No. 452559AA5 based upon the false claims set forth above, which were material to VRS's investment decision.

(iii) CSMC Mortgage-Backed Trust 2006-8

240. The CSMC Mortgage-Backed Trust 2006-8 Certificates ("**CSMC 2006-8 Certificates**") were issued pursuant to a prospectus supplement dated September 29, 2006 (the "**CSMC 2006-8 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CSMC 2006-8 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CSMC 2006-8 Certificates: Credit Suisse.

241. The CSMC 2006-8 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	82.75% of mortgages in pool were listed as owner occupied mortgages on page II-10 of the CSMC 2006-8 Prospectus Supplement	Only 76.41% of homes were owner occupied
Loan to Value False Claim	0.06% of mortgages in pool were listed as having an LTV greater than 80% on page II-10 of the CSMC 2006-8 Prospectus Supplement	42.3% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page II-10 of the CSMC 2006-8 Prospectus Supplement	10.36% of loans had an LTV greater than 100%

242. VRS purchased certificates from the 3A1 tranche of the CSMC 2006-8 Certificates with CUSIP No. 22942MAC0 based upon the false claims set forth above, which were material to VRS's investment decision.

(jjj) Asset Backed Securities Corporation Home Equity Loan Trust, Series 2004-HE7

243. The Asset Backed Securities Corporation Home Equity Loan Trust, Series 2004-HE7 Certificates ("**ABSHE 2004-HE7 Certificates**") were issued pursuant to a prospectus supplement dated October 4, 2004 (the "**ABSHE 2004-HE7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ABSHE 2004-HE7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ABSHE 2004-HE7 Certificates: Credit Suisse.

244. The ABSHE 2004-HE7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality

Owner Occupancy False Claim	94.28% of mortgages in pool were listed as owner occupied mortgages on page S-29 of the ABSHE 2004-HE7 Prospectus Supplement	Only 86.67% of homes were owner occupied

245. VRS purchased certificates from the M9 tranche of the ABSHE 2004-HE7 Certificates with CUSIP No. 04541GLU4 based upon the false claims set forth above, which were material to VRS's investment decision.

(kkk) Home Equity Asset Trust 2006-5

246. The Home Equity Asset Trust 2006-5 Certificates ("**HEAT 2006-5 Certificates**") were issued pursuant to a prospectus supplement dated June 30, 2006 (the "**HEAT 2006-5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HEAT 2006-5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HEAT 2006-5 Certificates: Credit Suisse.

247. The HEAT 2006-5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.3% of mortgages in pool were listed as owner occupied mortgages on page S-29 of the HEAT 2006-5 Prospectus Supplement	Only 88.89% of homes were owner occupied
Loan to Value False Claim	24.3% of mortgages in pool were listed as having an LTV greater than 80% on page S-29 of the HEAT 2006-5 Prospectus Supplement	68.36% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-29 of the HEAT 2006-5 Prospectus Supplement	11.61% of loans had an LTV greater than 100%

248. VRS purchased certificates from the 2A3 tranche of the HEAT 2006-5 Certificates with CUSIP No. 437096AD2 based upon the false claims set forth above, which were material to VRS's investment decision.

(lll) IndyMac INDA Mortgage Loan Trust 2007-AR7

249. The IndyMac INDA Mortgage Loan Trust 2007-AR7 Certificates ("**INDA 2007-AR7 Certificates**") were issued pursuant to a prospectus supplement dated September 27, 2007 (the "**INDA 2007-AR7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the INDA 2007-AR7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the INDA 2007-AR7 Certificates: Credit Suisse.

250. The INDA 2007-AR7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner	82.64% of mortgages in pool were	Only 75.35% of homes

Occupancy False Claim	listed as owner occupied mortgages on page S-39 of the INDA 2007-AR7 Prospectus Supplement	were owner occupied
Loan to Value False Claim	2.39% of mortgages in pool were listed as having an LTV greater than 80% on page S-36 of the INDA 2007-AR7 Prospectus Supplement	44.05% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-36 of the INDA 2007-AR7 Prospectus Supplement	13.52% of loans had an LTV greater than 100%

251. VRS purchased certificates from the 1A1 tranche of the INDA 2007-AR7 Certificates with CUSIP No. 45670NAA1 based upon the false claims set forth above, which were material to VRS's investment decision.

(mmm) Banc of America Funding 2007–3 Trust

252. The Banc of America Funding 2007–3 Trust Certificates ("**BAFC 2007-3 Certificates**") were issued pursuant to a prospectus supplement dated April 30, 2007 (the "**BAFC 2007-3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BAFC 2007-3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BAFC 2007-3 Certificates: Banc of America.

253. The BAFC 2007-3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	79.43% of mortgages in pool were listed as owner occupied mortgages on page A-24 of the BAFC 2007-3 Prospectus Supplement	Only 72.24% of homes were owner occupied
Loan to Value False Claim	5.91% of mortgages in pool were listed as having an LTV greater than 80% on page A-28 of the BAFC 2007-3 Prospectus Supplement	74.93% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-28 of the BAFC 2007-3 Prospectus Supplement	18.09% of loans had an LTV greater than 100%

254. VRS purchased certificates from the TA1B tranche of the BAFC 2007-3 Certificates with CUSIP No. 059515AB2 based upon the false claims set forth above, which were material to VRS's investment decision.

(nnn) Deutsche Alt-B Securities Mortgage Loan Trust, Series 2006-AB4

255. The Deutsche Alt-B Securities Mortgage Loan Trust, Series 2006-AB4 Certificates ("**DBALT 2006-AB4 Certificates**") were issued pursuant to a prospectus supplement dated September 28, 2006 (the "**DBALT 2006-AB4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the DBALT 2006-AB4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the DBALT 2006-AB4 Certificates: Deutsche Bank.

256. The DBALT 2006-AB4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner	71.69% of mortgages in pool were	Only 66.2% of homes

Occupancy False Claim	listed as owner occupied mortgages on page 31 of the DBALT 2006-AB4 Prospectus Supplement	were owner occupied
Loan to Value False Claim	13.7% of mortgages in pool were listed as having an LTV greater than 80% on page 30 of the DBALT 2006-AB4 Prospectus Supplement	62.56% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 30 of the DBALT 2006-AB4 Prospectus Supplement	14.62% of loans had an LTV greater than 100%

257. VRS purchased certificates from the A1C tranche of the DBALT 2006-AB4 Certificates with CUSIP No. 251513AT4 based upon the false claims set forth above, which were material to VRS's investment decision.

(ooo) Merrill Lynch Mortgage Investors Trust, Series 2006-WMC2

258. The Merrill Lynch Mortgage Investors Trust, Series 2006-WMC2 Certificates ("**MLMI 2006-WMC2 Certificates**") were issued pursuant to a prospectus supplement dated March 28, 2006 (the "MLMI 2006-WMC2 **Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MLMI 2006-WMC2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MLMI 2006-WMC2 Certificates: Merrill Lynch.

259. The MLMI 2006-WMC2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A2-23 of the MLMI	9.4% of loans had an LTV greater than 100%

	2006-WMC2 Prospectus Supplement	

260. VRS purchased certificates from the A2D tranche of the MLMI 2006-WMC2 Certificates with CUSIP No. 59020U6M2 based upon the false claims set forth above, which were material to VRS's investment decision.

(ppp) Wells Fargo Mortgage Backed Securities 2006-AR5 Trust

261. The Wells Fargo Mortgage Backed Securities 2006-AR5 Trust Certificates ("**WFMBS 2006-AR5 Certificates**") were issued pursuant to a prospectus supplement dated March 21, 2006 (the "**WFMBS 2006-AR5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WFMBS 2006-AR5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WFMBS 2006-AR5 Certificates: Goldman Sachs.

262. The WFMBS 2006-AR5 Prospectus Supplement includes the following material false claims:

263.

Type	False Claim	Reality
Owner Occupancy False Claim	87.45% of mortgages in pool were listed as owner occupied mortgages on page A-13 of the WFMBS 2006-AR5 Prospectus Supplement	Only 78.27% of homes were owner occupied
Loan to Value False Claim	1.36% of mortgages in pool were listed as having an LTV greater than 80% on page A-12 of the WFMBS 2006-AR5 Prospectus Supplement	50.71% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-12 of the WFMBS 2006-AR5 Prospectus Supplement	9.9% of loans had an LTV greater than 100%

264. VRS purchased certificates from the 2A1 tranche of the WFMBS 2006-AR5 Certificates with CUSIP No. 94983RAD6 based upon the false claims set forth above, which were material to VRS's investment decision.

(qqq) Alternative Loan Trust 2006-OA7

265. The Alternative Loan Trust 2006-OA7 Certificates ("**CWALT 2006-OA7 Certificates**") were issued pursuant to a prospectus supplement dated April 28, 2006 (the "**CWALT 2006-OA7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWALT 2006-OA7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWALT 2006-OA7 Certificates: UBS.

266. The CWALT 2006-OA7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	87.38% of mortgages in pool were listed as owner occupied mortgages on page S-41 of the CWALT 2006-OA7 Prospectus Supplement	Only 83% of homes were owner occupied
Loan to Value False Claim	5.8% of mortgages in pool were listed as having an LTV greater than 80% on page S-39 of the CWALT 2006-OA7 Prospectus Supplement	51.1% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-39 of the CWALT 2006-OA7 Prospectus Supplement	10.62% of loans had an LTV greater than 100%

267. VRS purchased certificates from the 1A4 tranche of the CWALT 2006-OA7 Certificates with CUSIP No. 02146BAD8 based upon the false claims set forth above, which were material to VRS's investment decision.

(rrr) Alternative Loan Trust 2006-OA9

268. The Alternative Loan Trust 2006-OA9 Certificates ("**CWALT 2006-OA9 Certificates**") were issued pursuant to a prospectus supplement dated May 26, 2006 (the "**CWALT 2006-OA9 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWALT 2006-OA9 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWALT 2006-OA9 Certificates: Countrywide.

269. The CWALT 2006-OA9 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner	84.52% of mortgages in pool were	Only 77.09% of homes

Occupancy False Claim	listed as owner occupied mortgages on page S-66 of the CWALT 2006-OA9 Prospectus Supplement	were owner occupied
Loan to Value False Claim	6% of mortgages in pool were listed as having an LTV greater than 80% on page S-64 of the CWALT 2006-OA9 Prospectus Supplement	58.15% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-64 of the CWALT 2006-OA9 Prospectus Supplement	15.56% of loans had an LTV greater than 100%

270. VRS purchased certificates from the 2A2 tranche of the CWALT 2006-OA9 Certificates with CUSIP No. 02146YAE6 based upon the false claims set forth above, which were material to VRS's investment decision.

(sss) Alternative Loan Trust 2007-17CB

271. The Alternative Loan Trust 2007-17CB Certificates ("**CWALT 2007-17CB Certificates**") were issued pursuant to a prospectus supplement dated June 28, 2007 (the "**CWALT 2007-17CB Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWALT 2007-17CB Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWALT 2007-17CB Certificates: Credit Suisse.

272. The CWALT 2007-17CB Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	91.51% of mortgages in pool were listed as owner occupied mortgages on page A-8 and A-17 of the CWALT	Only 86.02% of homes were owner occupied

	2007-17CB Prospectus Supplement	
Loan to Value False Claim	13.79% of mortgages in pool were listed as having an LTV greater than 80% on page A-5 and A-14 of the CWALT 2007-17CB Prospectus Supplement	48.44% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-5 and A-14 of the CWALT 2007-17CB Prospectus Supplement	8.83% of loans had an LTV greater than 100%

273. VRS purchased certificates from the B2 tranche of the CWALT 2007-17CB Certificates with CUSIP No. 02151HBA2 based upon the false claims set forth above, which were material to VRS's investment decision.

(ttt) CWHEQ Home Equity Loan Trust, Series 2007-S2

274. The CWHEQ Home Equity Loan Trust, Series 2007-S2 Certificates ("**CWL 2007-S2 Certificates**") were issued pursuant to a prospectus supplement dated March 29, 2007 (the "**CWL 2007-S2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWL 2007-S2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWL 2007-S2 Certificates: Countrywide.

275. The CWL 2007-S2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.85% of mortgages in pool were listed as owner occupied mortgages on page A-5 of the CWL 2007-S2 Prospectus Supplement	Only 86.06% of homes were owner occupied
Loan to Value	86.71% of mortgages in pool were	92.69% of loans had an

False Claim	listed as having an LTV greater than 80% on page A-4 of the CWL 2007-S2 Prospectus Supplement	LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-4 of the CWL 2007-S2 Prospectus Supplement	23.09% of loans had an LTV greater than 100%

276. VRS purchased certificates from the A2 tranche of the CWL 2007-S2 Certificates with CUSIP No. 12670BAB5 based upon the false claims set forth above, which were material to VRS's investment decision.

(uuu) Alternative Loan Trust 2006-OA21

277. The Alternative Loan Trust 2006-OA21 Certificates ("**CWALT 2006-OA21 Certificates**") were issued pursuant to a prospectus supplement dated December 28, 2006 (the "**CWALT 2006-OA21 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWALT 2006-OA21 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWALT 2006-OA21 Certificates: Countrywide.

278. The CWALT 2006-OA21 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	84.95% of mortgages in pool were listed as owner occupied mortgages on page S-41 of the CWALT 2006-OA21 Prospectus Supplement	Only 79.74% of homes were owner occupied
Loan to Value False Claim	6.06% of mortgages in pool were listed as having an LTV greater than 80% on page S-39 of the CWALT	58.47% of loans had an LTV greater than 80%

	2006-OA21 Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-39 of the CWALT 2006-OA21 Prospectus Supplement	15.51% of loans had an LTV greater than 100%

279. VRS purchased certificates from the A1 tranche of the CWALT 2006-OA21 Certificates with CUSIP No. 23245QAA7 based upon the false claims set forth above, which were material to VRS's investment decision.

(vvv) CHL Mortgage Pass-Through Trust 2007-5

280. The CHL Mortgage Pass-Through Trust 2007-5 Certificates ("**CWHL 2007-5 Certificates**") were issued pursuant to a prospectus supplement dated March 29, 2007 (the "**CWHL 2007-5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWHL 2007-5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWHL 2007-5 Certificates: Countrywide.

281. The CWHL 2007-5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.59% of mortgages in pool were listed as owner occupied mortgages on page 103 of the CWHL 2007-5 Prospectus Supplement	Only 87.85% of homes were owner occupied
Loan to Value False Claim	1.21% of mortgages in pool were listed as having an LTV greater than 80% on page 99 of the CWHL 2007-5 Prospectus Supplement	48.1% of loans had an LTV greater than 80%
Loan to Value	0.00% of mortgages in pool were	11.28% of loans had an

False Claim	listed as having an LTV greater than 100% on page 99 of the CWHL 2007-5 Prospectus Supplement	LTV greater than 100%

282. VRS purchased certificates from the B2 tranche of the CWHL 2007-5 Certificates with CUSIP No. 12544VCG2 based upon the false claims set forth above, which were material to VRS's investment decision.

(www) CHL Mortgage Pass-Through Trust 2007-17

283. The CHL Mortgage Pass-Through Trust 2007-17 Certificates ("**CWHL 2007-17 Certificates**") were issued pursuant to a prospectus supplement dated August 29, 2007 (the "**CWHL 2007-17 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWHL 2007-17 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWHL 2007-17 Certificates: Countrywide.

284. The CWHL 2007-17 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.89% of mortgages in pool were listed as owner occupied mortgages on page A-7, A-15, A-23, and A-31 of the CWHL 2007-17 Prospectus Supplement	Only 85.45% of homes were owner occupied
Loan to Value False Claim	3.47% of mortgages in pool were listed as having an LTV greater than 80% on page A-3, A-11, A-19, and A-27 of the CWHL 2007-17 Prospectus Supplement	52.72% of loans had an LTV greater than 80%
Loan to Value	0.00% of mortgages in pool were	14.89% of loans had an

False Claim	listed as having an LTV greater than 100% on page A-3, A-11, A-19, and A-27 of the CWHL 2007-17 Prospectus Supplement	LTV greater than 100%

285. VRS purchased certificates from the B1 tranche of the CWHL 2007-17 Certificates with CUSIP No. 12544KAW3 based upon the false claims set forth above, which were material to VRS's investment decision.

(xxx) Alternative Loan Trust 2006-OA10

286. The Alternative Loan Trust 2006-OA10 Certificates ("**CWALT 2006-OA10 Certificates**") were issued pursuant to a prospectus supplement dated June 29, 2006 (the "**CWALT 2006-OA10 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWALT 2006-OA10 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWALT 2006-OA10 Certificates: UBS.

287. The CWALT 2006-OA10 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	83.16% of mortgages in pool were listed as owner occupied mortgages on page S-44 of the CWALT 2006-OA10 Prospectus Supplement	Only 80.12% of homes were owner occupied
Loan to Value False Claim	6.35% of mortgages in pool were listed as having an LTV greater than 80% on page S-42 of the CWALT 2006-OA10 Prospectus Supplement	49.95% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-42 of the CWALT 2006-OA10 Prospectus Supplement	10.07% of loans had an LTV greater than 100%

288. VRS purchased certificates from the 1A1 tranche of the CWALT 2006-OA10 Certificates with CUSIP No. 02146QAA1 based upon the false claims set forth above, which were material to VRS's investment decision.

(yyy) CWABS Asset-Backed Certificates Trust 2006-BC1

289. The CWABS Asset-Backed Certificates Trust 2006-BC1 Certificates ("**CWL 2006-BC1 Certificates**") were issued pursuant to a prospectus supplement dated March 27, 2006 (the "**CWL 2006-BC1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWL 2006-BC1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWL 2006-BC1 Certificates: Countrywide.

290. The CWL 2006-BC1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.78% of mortgages in pool were listed as owner occupied mortgages on page A-5 of the CWL 2006-BC1 Prospectus Supplement	Only 94.01% of homes were owner occupied
Loan to Value False Claim	29.98% of mortgages in pool were listed as having an LTV greater than 80% on page A-4 of the CWL 2006-BC1 Prospectus Supplement	75.19% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-4 of the CWL 2006-BC1 Prospectus Supplement	16.35% of loans had an LTV greater than 100%

291. VRS purchased certificates from the 1A tranche of the CWL 2006-BC1 Certificates with CUSIP No. 126670XM5 based upon the false claims set forth above, which were material to VRS's investment decision.

(zzz) CHL Mortgage Pass-Through Trust 2007-8

292. The CHL Mortgage Pass-Through Trust 2007-8 Certificates ("**CWHL 2007-8 Certificates**") were issued pursuant to a prospectus supplement dated May 29, 2007 (the "**CWHL 2007-8 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWHL 2007-8 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWHL 2007-8 Certificates: Credit Suisse.

293. The CWHL 2007-8 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.67% of mortgages in pool were listed as owner occupied mortgages on page A-7 of the CWHL 2007-8 Prospectus Supplement	Only 86.42% of homes were owner occupied
Loan to Value False Claim	13.26% of mortgages in pool were listed as having an LTV greater than 80% on page A-3 of the CWHL 2007-8 Prospectus Supplement	52.67% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-3 of the CWHL 2007-8 Prospectus Supplement	14.12% of loans had an LTV greater than 100%

294. VRS purchased certificates from the B4 and B5 tranches of the CWHL 2007-8 Certificates with CUSIP No. 12545ABH6 and 12545ABJ2 based upon the false claims set forth above, which were material to VRS's investment decision.

(aaaa) Alternative Loan Trust 2005-59

295. The Alternative Loan Trust 2005-59 Certificates ("**CWALT 2005-59 Certificates**") were issued pursuant to a prospectus supplement dated September 29, 2005 (the "**CWALT 2005-59 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWALT 2005-59 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWALT 2005-59 Certificates: Countrywide.

296. The CWALT 2005-59 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	5.46% of mortgages in pool were listed as having an LTV greater than 80% on page S-36 of the CWALT 2005-59 Prospectus Supplement	49.76% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-36 of the CWALT 2005-59 Prospectus Supplement	8.99% of loans had an LTV greater than 100%

297. VRS purchased certificates from the 1A1 tranche of the CWALT 2005-59 Certificates with CUSIP No. 12668AEV3 based upon the false claims set forth above, which were material to VRS's investment decision.

(bbbb) CWABS Asset-Backed Certificates Trust 2006-2

298. The CWABS Asset-Backed Certificates Trust 2006-2 Certificates ("**CWL 2006-2 Certificates**") were issued pursuant to a prospectus supplement dated February 23, 2006 (the "**CWL 2006-2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWL 2006-2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWL 2006-2 Certificates: Countrywide.

299. The CWL 2006-2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.07% of mortgages in pool were listed as owner occupied mortgages on page A-15 of the CWL 2006-2 Prospectus Supplement	Only 87.71% of homes were owner occupied
Loan to Value False Claim	27.85% of mortgages in pool were listed as having an LTV greater than 80% on page A-14 of the CWL 2006-2 Prospectus Supplement	74.58% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-14 of the CWL 2006-2 Prospectus Supplement	12.13% of loans had an LTV greater than 100%

300. VRS purchased certificates from the 2A2 tranche of the CWL 2006-2 Certificates with CUSIP No. 126670UT3 based upon the false claims set forth above, which were material to VRS's investment decision.

(cccc) First Horizon Mortgage Pass-Through Trust 2006-2

301. The First Horizon Mortgage Pass-Through Trust 2006-2 Certificates ("**FHASI 2006-2 Certificates**") were issued pursuant to a prospectus supplement dated June 28, 2006 (the "**FHASI 2006-2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FHASI 2006-2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FHASI 2006-2 Certificates: Banc of America.

302. The FHASI 2006-2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.14% of mortgages in pool were listed as owner occupied mortgages on page III-2 of the FHASI 2006-2 Prospectus Supplement	Only 88.13% of homes were owner occupied
Loan to Value False Claim	1.48% of mortgages in pool were listed as having an LTV greater than 80% on page III-1 of the FHASI 2006-2 Prospectus Supplement	34.65% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-1 of the FHASI 2006-2 Prospectus Supplement	13.26% of loans had an LTV greater than 100%

303. VRS purchased certificates from the B4 tranche of the FHASI 2006-2 Certificates with CUSIP No. 32052LAW3 based upon the false claims set forth above, which were material to VRS's investment decision.

(dddd) HarborView Mortgage Loan Trust 2005-1

304. The HarborView Mortgage Loan Trust 2005-1 Certificates ("**HVMLT 2005-1 Certificates**") were issued pursuant to a prospectus supplement dated February 23, 2005 (the "**HVMLT 2005-1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HVMLT 2005-1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HVMLT 2005-1 Certificates: RBS Greenwich.

305. The HVMLT 2005-1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	85.46% of mortgages in pool were listed as owner occupied mortgages on page S-32 of the HVMLT 2005-1 Prospectus Supplement	Only 78.23% of homes were owner occupied
Loan to Value False Claim	2.11% of mortgages in pool were listed as having an LTV greater than 80% on page S-33 of the HVMLT 2005-1 Prospectus Supplement	49.09% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-31 of the HVMLT 2005-1 Prospectus Supplement	12.64% of loans had an LTV greater than 100%

306. VRS purchased certificates from the B4 tranche of the HVMLT 2005-1 Certificates with CUSIP No. 41161PLM3 based upon the false claims set forth above, which were material to VRS's investment decision.

(eeee) IMPAC Secured Assets Corp. Mortgage Pass-Through Certificates, Series 2007-2

307. The IMPAC Secured Assets Corp. Mortgage Pass-Through Certificates, Series 2007-2 Certificates ("**IMSA 2007-2 Certificates**") were issued pursuant to a prospectus supplement dated March 29, 2007 (the "**IMSA 2007-2 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the IMSA 2007-2 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the IMSA 2007-2 Certificates: Bear Stearns and Deutsche Bank.

308. The IMSA 2007-2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	79.11% of mortgages in pool were listed as owner occupied mortgages on page S-47 of the IMSA 2007-2 Prospectus Supplement	Only 72.03% of homes were owner occupied
Loan to Value False Claim	6.05% of mortgages in pool were listed as having an LTV greater than 80% on page S-47 of the IMSA 2007-2 Prospectus Supplement	61.33% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-38 of the IMSA 2007-2 Prospectus Supplement	7.4% of loans had an LTV greater than 100%

309. VRS purchased certificates from the 1A1A tranche of the IMSA 2007-2 Certificates with CUSIP No. 452570AA2 based upon the false claims set forth above, which were material to VRS's investment decision.

(ffff) Wells Fargo Mortgage Backed Securities 2007-7 Trust

310. The Wells Fargo Mortgage Backed Securities 2007-7 Trust Certificates ("**WFMBS 2007-7 Certificates**") were issued pursuant to a prospectus supplement dated May 25, 2007 (the "**WFMBS 2007-7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WFMBS 2007-7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WFMBS 2007-7 Certificates: Bear Stearns.

311. The WFMBS 2007-7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.19% of mortgages in pool were listed as owner occupied mortgages on page A-6 of the WFMBS 2007-7 Prospectus Supplement	Only 84.94% of homes were owner occupied
Loan to Value False Claim	1.5% of mortgages in pool were listed as having an LTV greater than 80% on page A-4 of the WFMBS 2007-7 Prospectus Supplement	50.57% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-4 of the WFMBS 2007-7 Prospectus Supplement	9.16% of loans had an LTV greater than 100%

312. VRS purchased certificates from the B4 tranche of the WFMBS 2007-7 Certificates with CUSIP No. 94985JCJ7 based upon the false claims set forth above, which were material to VRS's investment decision.

(gggg) MASTR Asset Backed Securities Trust 2006-NC2

313. The MASTR Asset Backed Securities Trust 2006-NC2 Certificates ("**MABS 2006-NC2 Certificates**") were issued pursuant to a prospectus supplement dated August 21, 2006 (the "**MABS 2006-NC2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MABS 2006-NC2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MABS 2006-NC2 Certificates: UBS.

314. The MABS 2006-NC2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.87% of mortgages in pool were listed as owner occupied mortgages on page 42 of the MABS 2006-NC2 Prospectus Supplement	Only 85.3% of homes were owner occupied
Loan to Value False Claim	42.82% of mortgages in pool were listed as having an LTV greater than 80% on page 43 of the MABS 2006-NC2 Prospectus Supplement	73.28% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 43 of the MABS 2006-NC2 Prospectus Supplement	18.12% of loans had an LTV greater than 100%

315. VRS purchased certificates from the A4 tranche of the MABS 2006-NC2 Certificates with CUSIP No. 55275BAD9 based upon the false claims set forth above, which were material to VRS's investment decision.

(hhhh) ABFC 2006-HE1 Trust

316. The ABFC 2006-HE1 Trust Certificates ("**ABFC 2006-HE1 Certificates**") were issued pursuant to a prospectus supplement dated December 12, 2006 (the "**ABFC 2006-HE1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ABFC 2006-HE1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ABFC 2006-HE1 Certificates: Banc of America.

317. The ABFC 2006-HE1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	92.79% of mortgages in pool were listed as owner occupied mortgages on page A-7 of the ABFC 2006-HE1 Prospectus Supplement	Only 85.78% of homes were owner occupied
Loan to Value False Claim	38.4% of mortgages in pool were listed as having an LTV greater than 80% on page A-4 of the ABFC 2006-HE1 Prospectus Supplement	69.93% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-4 of the ABFC 2006-HE1 Prospectus Supplement	18.54% of loans had an LTV greater than 100%

318. VRS purchased certificates from the A2C tranche of the ABFC 2006-HE1 Certificates with CUSIP No. 00075WAC3 based upon the false claims set forth above, which were material to VRS's investment decision.

(iiii) IMPAC Secured Assets Corp. Mortgage Pass-Through Certificates, Series 2005-2

319. The IMPAC Secured Assets Corp. Mortgage Pass-Through Certificates, Series 2005-2 Certificates ("**IMSA 2005-2 Certificates**") were issued pursuant to a prospectus supplement dated December 28, 2005 (the "**IMSA 2005-2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the IMSA 2005-2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the IMSA 2005-2 Certificates: Countrywide.

320. The IMSA 2005-2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	10.27% of mortgages in pool were listed as having an LTV greater than 80% on page S-36 of the IMSA 2005-2 Prospectus Supplement	64.81% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-36 of the IMSA 2005-2 Prospectus Supplement	7.38% of loans had an LTV greater than 100%

321. VRS purchased certificates from the A1 tranche of the IMSA 2005-2 Certificates with CUSIP No. 45254TSM7 based upon the false claims set forth above, which were material to VRS's investment decision.

(jjjj) Citigroup Mortgage Loan Trust 2006-AR5

322. The Citigroup Mortgage Loan Trust 2006-AR5 Certificates ("**CMLTI 2006-AR5 Certificates**") were issued pursuant to a prospectus supplement dated June 29, 2006 (the "**CMLTI 2006-AR5 Prospectus Supplement**"). The following

underwriter is responsible for the false claims made in the CMLTI 2006-AR5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CMLTI 2006-AR5 Certificates: Citigroup.

323. The CMLTI 2006-AR5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	83.58% of mortgages in pool were listed as owner occupied mortgages on page II-85 of the CMLTI 2006-AR5 Prospectus Supplement	Only 80.09% of homes were owner occupied
Loan to Value False Claim	3.35% of mortgages in pool were listed as having an LTV greater than 80% on page II-84 of the CMLTI 2006-AR5 Prospectus Supplement	39.83% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page II-84 of the CMLTI 2006-AR5 Prospectus Supplement	14.95% of loans had an LTV greater than 100%

324. VRS purchased certificates from the 2A1A tranche of the CMLTI 2006-AR5 Certificates with CUSIP No. 17309FAS7 based upon the false claims set forth above, which were material to VRS's investment decision.

(kkkk) Citigroup Mortgage Loan Trust 2007-AHL2

325. The Citigroup Mortgage Loan Trust 2007-AHL2 Certificates ("**CMLTI 2007-AHL2 Certificates**") were issued pursuant to a prospectus supplement dated May 16, 2007 (the "**CMLTI 2007-AHL2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CMLTI 2007-AHL2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CMLTI 2007-AHL2 Certificates: Citigroup.

326. The CMLTI 2007-AHL2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.88% of mortgages in pool were listed as owner occupied mortgages on page II-5 of the CMLTI 2007-AHL2 Prospectus Supplement	Only 86.97% of homes were owner occupied
Loan to Value False Claim	50.95% of mortgages in pool were listed as having an LTV greater than 80% on page II-4 of the CMLTI 2007-AHL2 Prospectus Supplement	65.56% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page II-4 of the CMLTI 2007-AHL2 Prospectus Supplement	28.73% of loans had an LTV greater than 100%

327. VRS purchased certificates from the M5 tranche of the CMLTI 2007-AHL2 Certificates with CUSIP No. 17312TAQ6 based upon the false claims set forth above, which were material to VRS's investment decision.

(llll) Securitized Asset Backed Receivables LLC Trust 2006-HE1 (Group II)

328. The Securitized Asset Backed Receivables LLC Trust 2006-HE1 Group II Certificates ("**SABR 2006-HE1 Certificates**") were issued pursuant to a prospectus supplement dated August 24, 2006 (the "**SABR 2006-HE1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SABR 2006-HE1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SABR 2006-HE1 Certificates: Barclays.

329. The SABR 2006-HE1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.56% of mortgages in pool were listed as owner occupied mortgages on page 8 of the SABR 2006-HE1 Prospectus Supplement	Only 87.54% of homes were owner occupied
Loan to Value False Claim	31.67% of mortgages in pool were listed as having an LTV greater than 80% on page 4 of the SABR 2006-HE1 Prospectus Supplement	53.58% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 4 of the SABR 2006-HE1 Prospectus Supplement	19.17% of loans had an LTV greater than 100%

330. VRS purchased certificates from the A2C tranche of the SABR 2006-HE1 Certificates with CUSIP No. 81376YAD3 based upon the false claims set forth above, which were material to VRS's investment decision.

(mmmm) Morgan Stanley ABS Capital I Inc. Trust 2007-HE7

331. The Morgan Stanley ABS Capital I Inc. Trust 2007-HE7 Certificates ("**MSAC 2007-HE7 Certificates**") were issued pursuant to a prospectus supplement dated September 27, 2007 (the "M**SAC 2007-HE7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSAC 2007-HE7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSAC 2007-HE7 Certificates: Morgan Stanley.

332. The MSAC 2007-HE7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.39% of mortgages in pool were listed as owner occupied mortgages on page IV-16 of the MSAC 2007-HE7 Prospectus Supplement	Only 83.95% of homes were owner occupied
Loan to Value False Claim	50.7% of mortgages in pool were listed as having an LTV greater than 80% on page IV-7 of the MSAC 2007-HE7 Prospectus Supplement	63.61% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page IV-7 of the MSAC 2007-HE7 Prospectus Supplement	28.95% of loans had an LTV greater than 100%

333. VRS purchased certificates from the B1 tranche of the MSAC 2007-HE7 Certificates with CUSIP No. 61756YAK9 based upon the false claims set forth above, which were material to VRS's investment decision.

(nnnn) Renaissance Home Equity Loan Trust 2007-2

334. The Renaissance Home Equity Loan Trust 2007-2 Certificates ("**RAMC 2007-2 Certificates**") were issued pursuant to a prospectus supplement dated May 14, 2007 (the "**RAMC 2007-2 Prospectus Supplement**"). The following underwriter responsible for the false claims made in the RAMC 2007-2 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the RAMC 2007-2 Certificates: RBS Greenwich and Deutsche Bank.

335. The RAMC 2007-2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.25% of mortgages in pool were listed as owner occupied mortgages on page 42 of the RAMC 2007-2 Pro-	Only 91.78% of homes were owner occupied

Type	False Claim	Reality
	spectus Supplement	
Loan to Value False Claim	40.98% of mortgages in pool were listed as having an LTV greater than 80% on page 42 of the RAMC 2007-2 Prospectus Supplement	56.19% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 42 of the RAMC 2007-2 Prospectus Supplement	25.91% of loans had an LTV greater than 100%

336. VRS purchased certificates from the AF1 tranche of the RAMC 2007-2 Certificates with CUSIP No. 75970QAD2 based upon the false claims set forth above, which were material to VRS's investment decision.

(oooo) Option One Mortgage Loan Trust 2007-HL1

337. The Option One Mortgage Loan Trust 2007-HL1 Certificates ("**OOMLT 2007-HL1 Certificates**") were issued pursuant to a prospectus supplement dated April 17, 2007 (the "**OOMLT 2007-HL1 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the OOMLT 2007-HL1 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the OOMLT 2007-HL1 Certificates: Banc of America and RBS Greenwich.

338. The OOMLT 2007-HL1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.99% of mortgages in pool were listed as owner occupied mortgages on page S-56 of the OOMLT 2007-HL1 Prospectus Supplement	Only 83.95% of homes were owner occupied

Type	False Claim	Reality
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-56 of the OOMLT 2007-HL1 Prospectus Supplement	36.16% of loans had an LTV greater than 100%

339. VRS purchased certificates from the A21 tranche of the OOMLT 2007-HL1 Certificates with CUSIP No. 68402SAB5 based upon the false claims set forth above, which were material to VRS's investment decision.

(pppp) Option One Mortgage Loan Trust 2007-FXD2

340. The Option One Mortgage Loan Trust 2007-FXD2 Certificates ("**OOMLT 2007-FXD2 Certificates**") were issued pursuant to a prospectus supplement dated March 23, 2007 (the "**OOMLT 2007-FXD2 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the OOMLT 2007-FXD2 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the OOMLT 2007-FXD2 Certificates: RBS Greenwich and Banc of America.

341. The OOMLT 2007-FXD2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.43% of mortgages in pool were listed as owner occupied mortgages on page S-29 of the OOMLT 2007-FXD2 Prospectus Supplement	Only 91.09% of homes were owner occupied
Loan to Value False Claim	41.54% of mortgages in pool were listed as having an LTV greater than 80% on page S-30 of the OOMLT 2007-FXD2 Prospectus Supplement	60.35% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-30 of the OOMLT	22.92% of loans had an LTV greater than 100%

Type	False Claim	Reality
	2007-FXD2 Prospectus Supplement	

342. VRS purchased certificates from the M5 tranche of the OOMLT 2007-FXD2 Certificates with CUSIP No. 68403BAM7 based upon the false claims set forth above, which were material to VRS's investment decision.

(qqqq) Morgan Stanley ABS Capital I Inc. Trust 2007-HE5

343. The Morgan Stanley ABS Capital I Inc. Trust 2007-HE5 Certificates ("**MSAC 2007-HE5 Certificates**") were issued pursuant to a prospectus supplement dated April 24, 2007 (the "**MSAC 2007-HE5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSAC 2007-HE5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSAC 2007-HE5 Certificates: Morgan Stanley.

344. The MSAC 2007-HE5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.05% of mortgages in pool were listed as owner occupied mortgages on page IV-14 of the MSAC 2007-HE5 Prospectus Supplement	Only 90.86% of homes were owner occupied
Loan to Value False Claim	39.07% of mortgages in pool were listed as having an LTV greater than 80% on page IV-7 of the MSAC 2007-HE5 Prospectus Supplement	54.58% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page IV-7 of the MSAC 2007-HE5 Prospectus Supplement	19.63% of loans had an LTV greater than 100%

345. VRS purchased certificates from the M6 and M5 tranches of the MSAC 2007-HE5 Certificates with CUSIP No. 61753KAL0 and 61753KAK2 based upon the false claims set forth above, which were material to VRS's investment decision.

(rrrr) Fieldstone Mortgage Investment Trust, Series 2006-3 (Aggregate Pool)

346. The Fieldstone Mortgage Investment Trust, Series 2006-3 Certificates ("**FMIC 2006-3 Certificates**") were issued pursuant to a prospectus supplement dated October 24, 2006 (the "**FMIC 2006-3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FMIC 2006-3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FMIC 2006-3 Certificates: Merrill Lynch.

347. The FMIC 2006-3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.36% of mortgages in pool were listed as owner occupied mortgages on page II-6 of the FMIC 2006-3 Prospectus Supplement	Only 89.56% of homes were owner occupied
Loan to Value False Claim	72.87% of mortgages in pool were listed as having an LTV greater than 80% on page II-5 of the FMIC 2006-3 Prospectus Supplement	86.08% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page II-5 of the FMIC 2006-3 Prospectus Supplement	19.3% of loans had an LTV greater than 100%

348. VRS purchased certificates from the M1 tranche of the FMIC 2006-3 Certificates with CUSIP No. 316599AF6 based upon the false claims set forth above, which were material to VRS's investment decision.

(ssss) J.P. Morgan Mortgage Acquisition Trust 2007-HE1

349. The J.P. Morgan Mortgage Acquisition Trust 2007-HE1 Certificates ("**JPMAC 2007-HE1 Certificates**") were issued pursuant to a prospectus supplement dated June 14, 2007 (the "**JPMAC 2007-HE1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the JPMAC 2007-HE1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the JPMAC 2007-HE1 Certificates: JP Morgan.

350. The JPMAC 2007-HE1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	88.92% of mortgages in pool were listed as owner occupied mortgages on page S-45 of the JPMAC 2007-HE1 Prospectus Supplement	Only 85.9% of homes were owner occupied
Loan to Value False Claim	42.76% of mortgages in pool were listed as having an LTV greater than 80% on page S-41 of the JPMAC 2007-HE1 Prospectus Supplement	67.41% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-41 of the JPMAC 2007-HE1 Prospectus Supplement	27.85% of loans had an LTV greater than 100%

351. VRS purchased certificates from the AV2 tranche of the JPMAC 2007-HE1 Certificates with CUSIP No. 46630KAS5 based upon the false claims set forth above, which were material to VRS's investment decision.

(tttt) GSAA Home Equity Trust 2006-8

352. The GSAA Home Equity Trust 2006-8 Certificates ("**GSAA 2006-8 Certificates**") were issued pursuant to a prospectus supplement dated April 25,

2006 (the "**GSAA 2006-8 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GSAA 2006-8 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GSAA 2006-8 Certificates: Goldman Sachs.

353. The GSAA 2006-8 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	76.89% of mortgages in pool were listed as owner occupied mortgages on page A-21 of the GSAA 2006-8 Prospectus Supplement	Only 71.62% of homes were owner occupied
Loan to Value False Claim	5.32% of mortgages in pool were listed as having an LTV greater than 80% on page A-20 of the GSAA 2006-8 Prospectus Supplement	34.61% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-20 of the GSAA 2006-8 Prospectus Supplement	9.34% of loans had an LTV greater than 100%

354. VRS purchased certificates from the 2A1 tranche of the GSAA 2006-8 Certificates with CUSIP No. 362348AB0 based upon the false claims set forth above, which were material to VRS's investment decision.

(uuuu) Citigroup Mortgage Loan Trust 2006-AR3

355. The Citigroup Mortgage Loan Trust 2006-AR3 Certificates ("**CMLTI 2006-AR3 Certificates**") were issued pursuant to a prospectus supplement dated April 7, 2006 (the "**CMLTI 2006-AR3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CMLTI 2006-AR3 Pro-

spectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CMLTI 2006-AR3 Certificates: Citigroup.

356. The CMLTI 2006-AR3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	87.92% of mortgages in pool were listed as owner occupied mortgages on page 151 of the CMLTI 2006-AR3 Prospectus Supplement	Only 83.43% of homes were owner occupied
Loan to Value False Claim	0.7% of mortgages in pool were listed as having an LTV greater than 80% on page 150 of the CMLTI 2006-AR3 Prospectus Supplement	35.36% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 150 of the CMLTI 2006-AR3 Prospectus Supplement	12.13% of loans had an LTV greater than 100%

357. VRS purchased certificates from the 2A4A tranche of the CMLTI 2006-AR3 Certificates with CUSIP No. 17306SAM5 based upon the false claims set forth above, which were material to VRS's investment decision.

(vvvv) Fremont Home Loan Trust 2006-A (Group II)

358. The Fremont Home Loan Trust 2006-A Group II Certificates ("**FHLT 2006-A Certificates**") were issued pursuant to a prospectus supplement dated May 3, 2006 (the "**FHLT 2006-A Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FHLT 2006-A Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FHLT 2006-A Certificates: RBS Greenwich.

359. The FHLT 2006-A Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.01% of mortgages in pool were listed as owner occupied mortgages on page 62 of the FHLT 2006-A Prospectus Supplement	Only 87.37% of homes were owner occupied
Loan to Value False Claim	30.77% of mortgages in pool were listed as having an LTV greater than 80% on page 63 of the FHLT 2006-A Prospectus Supplement	47.91% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 63 of the FHLT 2006-A Prospectus Supplement	14.47% of loans had an LTV greater than 100%

360. VRS purchased certificates from the 2A3 tranche of the FHLT 2006-A Certificates with CUSIP No. 35729RAE6 based upon the false claims set forth above, which were material to VRS's investment decision.

(wwww) Securitized Asset Backed Receivables LLC Trust 2007-NC2

361. The Securitized Asset Backed Receivables LLC Trust 2007-NC2 Certificates ("**SABR 2007-NC2 Certificates**") were issued pursuant to a prospectus supplement dated February 23, 2007 (the "**SABR 2007-NC2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SABR 2007-NC2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SABR 2007-NC2 Certificates: Barclays.

362. The SABR 2007-NC2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	89.81% of mortgages in pool were listed as owner occupied mortgages on page 9 of the SABR 2007-NC2 Prospectus Supplement	Only 84.23% of homes were owner occupied
Loan to Value False Claim	45.28% of mortgages in pool were listed as having an LTV greater than 80% on page 5 of the SABR 2007-NC2 Prospectus Supplement	53.69% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 5 of the SABR 2007-NC2 Prospectus Supplement	17.72% of loans had an LTV greater than 100%

363. VRS purchased certificates from the M1 tranche of the SABR 2007-NC2 Certificates with CUSIP No. 81378GAE8 based upon the false claims set forth above, which were material to VRS's investment decision.

(xxxx) HarborView Mortgage Loan Trust 2006-9

364. The HarborView Mortgage Loan Trust 2006-9 Certificates ("**HVMLT 2006-9 Certificates**") were issued pursuant to a prospectus supplement dated October 3, 2006 (the "**HVMLT 2006-9 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HVMLT 2006-9 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HVMLT 2006-9 Certificates: RBS Greenwich.

365. The HVMLT 2006-9 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	89.97% of mortgages in pool were listed as owner occupied mortgages on page S-52 of the HVMLT 2006-9	Only 83.47% of homes were owner occupied

Type	False Claim	Reality
	Prospectus Supplement	
Loan to Value False Claim	5.84% of mortgages in pool were listed as having an LTV greater than 80% on page S-53 of the HVMLT 2006-9 Prospectus Supplement	38.14% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-53 of the HVMLT 2006-9 Prospectus Supplement	12.2% of loans had an LTV greater than 100%

366. VRS purchased certificates from the 2A1A tranche of the HVMLT 2006-9 Certificates with CUSIP No. 41161XAC0 based upon the false claims set forth above, which were material to VRS's investment decision.

(yyyy) Bear Stearns Asset Backed Securities I Trust 2007-HE4

367. The Bear Stearns Asset Backed Securities I Trust 2007-HE4 Certificates ("**BSABS 2007-HE4 Certificates**") were issued pursuant to a prospectus supplement dated April 26, 2007 (the "**BSABS 2007-HE4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BSABS 2007-HE4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BSABS 2007-HE4 Certificates: Bear Stearns.

368. The BSABS 2007-HE4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.93% of mortgages in pool were listed as owner occupied mortgages on page 81 of the BSABS 2007-HE4 Prospectus Supplement	Only 91.32% of homes were owner occupied

Type	False Claim	Reality
Loan to Value False Claim	51.32% of mortgages in pool were listed as having an LTV greater than 80% on page 78 of the BSABS 2007-HE4 Prospectus Supplement	58.5% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 78 of the BSABS 2007-HE4 Prospectus Supplement	18.88% of loans had an LTV greater than 100%

369. VRS purchased certificates from the 1A1 tranche of the BSABS 2007-HE4 Certificates with CUSIP No. 07386RAA7 based upon the false claims set forth above, which were material to VRS's investment decision.

(zzzz) HSI Asset Securitization Corporation Trust 2006-HE2

370. The HSI Asset Securitization Corporation Trust 2006-HE2 Certificates ("**HASC 2006-HE2 Certificates**") were issued pursuant to a prospectus supplement dated December 4, 2006 (the "**HASC 2006-HE2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HASC 2006-HE2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HASC 2006-HE2 Certificates: HSBC.

371. The HASC 2006-HE2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.76% of mortgages in pool were listed as owner occupied mortgages on page A-17 of the HASC 2006-HE2 Prospectus Supplement	Only 89.2% of homes were owner occupied
Loan to Value False Claim	28.45% of mortgages in pool were listed as having an LTV greater than 80% on page A-7 of the HASC 2006-	42.02% of loans had an LTV greater than 80%

Type	False Claim	Reality
	HE2 Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-7 of the HASC 2006-HE2 Prospectus Supplement	11.67% of loans had an LTV greater than 100%

372. VRS purchased certificates from the M1 tranche of the HASC 2006-HE2 Certificates with CUSIP No. 44328BAG3 based upon the false claims set forth above, which were material to VRS's investment decision.

(aaaaa) Securitized Asset Backed Receivables LLC Trust 2007-NC1

373. The Securitized Asset Backed Receivables LLC Trust 2007-NC1 Certificates ("**SABR 2007-NC1 Certificates**") were issued pursuant to a prospectus supplement dated January 19, 2007 (the "**SABR 2007-NC1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SABR 2007-NC1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SABR 2007-NC1 Certificates: Barclays.

374. The SABR 2007-NC1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.98% of mortgages in pool were listed as owner occupied mortgages on page 8 of the SABR 2007-NC1 Prospectus Supplement	Only 84.8% of homes were owner occupied
Loan to Value False Claim	36.65% of mortgages in pool were listed as having an LTV greater than 80% on page 4 of the SABR 2007-NC1 Prospectus Supplement	39.7% of loans had an LTV greater than 80%

Type	False Claim	Reality
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 4 of the SABR 2007-NC1 Prospectus Supplement	13.77% of loans had an LTV greater than 100%

375. VRS purchased certificates from the A2B tranche of the SABR 2007-NC1 Certificates with CUSIP No. 81378AAC5 based upon the false claims set forth above, which were material to VRS's investment decision.

(bbbbb) Morgan Stanley ABS Capital I Inc. Trust 2006-HE4

376. The Morgan Stanley ABS Capital I Inc. Trust 2006-HE4 Certificates ("**MSAC 2006-HE4 Certificates**") were issued pursuant to a prospectus supplement dated June 20, 2006 (the "**MSAC 2006-HE4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSAC 2006-HE4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSAC 2006-HE4 Certificates: Morgan Stanley.

377. The MSAC 2006-HE4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.13% of mortgages in pool were listed as owner occupied mortgages on page III-15 of the MSAC 2006-HE4 Prospectus Supplement	Only 87.7% of homes were owner occupied
Loan to Value False Claim	34.74% of mortgages in pool were listed as having an LTV greater than 80% on page III-7 of the MSAC 2006-HE4 Prospectus Supplement	41.2% of loans had an LTV greater than 80%

Type	False Claim	Reality
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-7 of the MSAC 2006-HE4 Prospectus Supplement	13.49% of loans had an LTV greater than 100%

378. VRS purchased certificates from the A3 tranche of the MSAC 2006-HE4 Certificates with CUSIP No. 61748BAC8 based upon the false claims set forth above, which were material to VRS's investment decision.

(ccccc) Bear Stearns Asset Backed Securities I Trust 2006-HE9

379. The Bear Stearns Asset Backed Securities I Trust 2006-HE9 Certificates ("**BSABS 2006-HE9 Certificates**") were issued pursuant to a prospectus supplement dated November 29, 2006 (the "**BSABS 2006-HE9 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BSABS 2006-HE9 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BSABS 2006-HE9 Certificates: Bear Stearns.

380. The BSABS 2006-HE9 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.54% of mortgages in pool were listed as owner occupied mortgages on page A-3 of the BSABS 2006-HE9 Prospectus Supplement	Only 90.08% of homes were owner occupied
Loan to Value False Claim	56.88% of mortgages in pool were listed as having an LTV greater than 80% on page A-1 of the BSABS 2006-HE9 Prospectus Supplement	63.3% of loans had an LTV greater than 80%

Type	False Claim	Reality
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-1 of the BSABS 2006-HE9 Prospectus Supplement	13.55% of loans had an LTV greater than 100%

381. VRS purchased certificates from the 1A2 tranche of the BSABS 2006-HE9 Certificates with CUSIP No. 07389MAB3 based upon the false claims set forth above, which were material to VRS's investment decision.

(ddddd) Morgan Stanley Home Equity Loan Trust 2006-3

382. The Morgan Stanley Home Equity Loan Trust 2006-3 Certificates ("**MSHEL 2006-3 Certificates**") were issued pursuant to a prospectus supplement dated May 22, 2006 (the "**MSHEL 2006-3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSHEL 2006-3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSHEL 2006-3 Certificates: Morgan Stanley.

383. The MSHEL 2006-3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.72% of mortgages in pool were listed as owner occupied mortgages on page III-14 of the MSHEL 2006-3 Prospectus Supplement	Only 87.87% of homes were owner occupied
Loan to Value False Claim	37.97% of mortgages in pool were listed as having an LTV greater than 80% on page III-7 of the MSHEL 2006-3 Prospectus Supplement	41.15% of loans had an LTV greater than 80%

Type	False Claim	Reality
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-7 of the MSHEL 2006-3 Prospectus Supplement	11.46% of loans had an LTV greater than 100%

384. VRS purchased certificates from the M4 tranche of the MSHEL 2006-3 Certificates with CUSIP No. 61749GAH5 based upon the false claims set forth above, which were material to VRS's investment decision.

(eeeee) Washington Mutual Asset-Backed Certificates WMABS Series 2006-HE5 Trust

385. The Washington Mutual Asset-Backed Certificates WMABS Series 2006-HE5 Trust Certificates ("**WMABS 2006-HE5 Certificates**") were issued pursuant to a prospectus supplement dated December 1, 2006 (the "**WMABS 2006-HE5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WMABS 2006-HE5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WMABS 2006-HE5 Certificates: WaMu.

386. The WMABS 2006-HE5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	45.96% of mortgages in pool were listed as having an LTV greater than 80% on page S-162 of the WMABS 2006-HE5 Prospectus Supplement	46.05% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-162 of the WMABS 2006-HE5 Prospectus Supplement	13.79% of loans had an LTV greater than 100%

387. VRS purchased certificates from the 2A1 tranche of the WMABS 2006-HE5 Certificates with CUSIP No. 93934XAB9 based upon the false claims set forth above, which were material to VRS's investment decision.

(fffff) Citigroup Mortgage Loan Trust 2006-NC2

388. The Citigroup Mortgage Loan Trust 2006-NC2 Certificates ("**CMLTI 2006-NC2 Certificates**") were issued pursuant to a prospectus supplement dated September 12, 2006 (the "**CMLTI 2006-NC2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CMLTI 2006-NC2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CMLTI 2006-NC2 Certificates: Citigroup.

389. The CMLTI 2006-NC2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	91.4% of mortgages in pool were listed as owner occupied mortgages on page S-41 of the CMLTI 2006-NC2 Prospectus Supplement	Only 83.39% of homes were owner occupied
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-40 of the CMLTI 2006-NC2 Prospectus Supplement	17.07% of loans had an LTV greater than 100%

390. VRS purchased certificates from the A2B tranche of the CMLTI 2006-NC2 Certificates with CUSIP No. 17309TAC2 based upon the false claims set forth above, which were material to VRS's investment decision.

(ggggg) Securitized Asset Backed Receivables LLC Trust 2007-BR5

391. The Securitized Asset Backed Receivables LLC Trust 2007-BR5 Certificates ("**SABR 2007-BR5 Certificates**") were issued pursuant to a prospectus supplement dated July 9, 2007 (the "**SABR 2007-BR5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SABR 2007-BR5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SABR 2007-BR5 Certificates: Barclays.

392. The SABR 2007-BR5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.54% of mortgages in pool were listed as owner occupied mortgages on page 13 of the SABR 2007-BR5 Prospectus Supplement	Only 85.43% of homes were owner occupied

393. VRS purchased certificates from the A2A tranche of the SABR 2007-BR5 Certificates with CUSIP No. 81379EAA0 based upon the false claims set forth above, which were material to VRS's investment decision.

(hhhhh) First Horizon Alternative Mortgage Securities Trust 2006-FA8

394. The First Horizon Alternative Mortgage Securities Trust 2006-FA8 Certificates ("**FHAMS 2006-FA8 Certificates**") were issued pursuant to a prospectus supplement dated December 22, 2006 (the "**FHAMS 2006-FA8 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FHAMS 2006-FA8 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FHAMS 2006-FA8 Certificates: HSBC.

395. The FHAMS 2006-FA8 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	70.57% of mortgages in pool were listed as owner occupied mortgages on page I-2 of the FHAMS 2006-FA8 Prospectus Supplement	Only 66.51% of homes were owner occupied
Loan to Value False Claim	3.3% of mortgages in pool were listed as having an LTV greater than 80% on page I-1 of the FHAMS 2006-FA8 Prospectus Supplement	32.06% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page I-1 of the FHAMS 2006-FA8 Prospectus Supplement	11.84% of loans had an LTV greater than 100%

396. VRS purchased certificates from the 1A8 tranche of the FHAMS 2006-FA8 Certificates with CUSIP No. 32052DAH4 based upon the false claims set forth above, which were material to VRS's investment decision.

(iiiii) MASTR Adjustable Rate Mortgages Trust 2004-15

397. The MASTR Adjustable Rate Mortgages Trust 2004-15 Certificates ("**MARM 2004-15 Certificates**") were issued pursuant to a prospectus supplement dated November 24, 2004 (the "**MARM 2004-15 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MARM 2004-15 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MARM 2004-15 Certificates: UBS.

398. The MARM 2004-15 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner	73.51% of mortgages in pool were	Only 66.54% of homes

Occupancy False Claim	listed as owner occupied mortgages on page A-14 of the MARM 2004-15 Prospectus Supplement	were owner occupied
Loan to Value False Claim	10.09% of mortgages in pool were listed as having an LTV greater than 80% on page A-14 of the MARM 2004-15 Prospectus Supplement	43.47% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-14 of the MARM 2004-15 Prospectus Supplement	8.88% of loans had an LTV greater than 100%

399. VRS purchased certificates from the 1A1 tranche of the MARM 2004-15 Certificates with CUSIP No. 576433VK9 based upon the false claims set forth above, which were material to VRS's investment decision.

(jjjjj) GreenPoint Mortgage Funding Trust 2006-AR3

400. The GreenPoint Mortgage Funding Trust 2006-AR3 Certificates ("**GPMF 2006-AR3 Certificates**") were issued pursuant to a prospectus supplement dated April 27, 2006 (the "**GPMF 2006-AR3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GPMF 2006-AR3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GPMF 2006-AR3 Certificates: Bear Stearns.

401. The GPMF 2006-AR3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	70.71% of mortgages in pool were listed as owner occupied mortgages on page A-32 of the GPMF 2006-AR3 Prospectus Supplement	Only 67.65% of homes were owner occupied
Loan to Value False Claim	2.63% of mortgages in pool were listed as having an LTV greater than 80% on page A-30 of the GPMF 2006-	69.3% of loans had an LTV greater than 80%

	AR3 Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-30 of the GPMF 2006-AR3 Prospectus Supplement	11.05% of loans had an LTV greater than 100%

402. VRS purchased certificates from the 4A1 tranche of the GPMF 2006-AR3 Certificates with CUSIP No. 39538WHF8 based upon the false claims set forth above, which were material to VRS's investment decision.

(kkkkk) WaMu Mortgage Pass-Through Certificates, Series 2007-OA4

403. The WaMu Mortgage Pass-Through Certificates, Series 2007-OA4 Certificates ("**WAMU 2007-OA4 Certificates**") were issued pursuant to a prospectus supplement dated April 24, 2007 (the "**WAMU 2007-OA4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2007-OA4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2007-OA4 Certificates: WaMu.

404. The WAMU 2007-OA4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	73.12% of mortgages in pool were listed as owner occupied mortgages on page S-123 of the WAMU 2007-OA4 Prospectus Supplement	Only 68.79% of homes were owner occupied
Loan to Value False Claim	27.19% of mortgages in pool were listed as having an LTV greater than 80% on page S-125 of the WAMU 2007-OA4 Prospectus Supplement	47.84% of loans had an LTV greater than 80%

405. VRS purchased certificates from the 1A tranche of the WAMU 2007-OA4 Certificates with CUSIP No. 93364CAA6 based upon the false claims set forth above, which were material to VRS's investment decision.

(lllll) Nomura Asset Acceptance Corporation, Alternative Loan Trust, Series 2007-1

406. The Nomura Asset Acceptance Corporation, Alternative Loan Trust, Series 2007-1 Certificates ("**NAA 2007-1 Certificates**") were issued pursuant to a prospectus supplement dated May 10, 2007 (the "**NAA 2007-1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the NAA 2007-1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the NAA 2007-1 Certificates: RBS Greenwich.

407. The NAA 2007-1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	77.13% of mortgages in pool were listed as owner occupied mortgages on page S-62 of the NAA 2007-1 Prospectus Supplement	Only 70% of homes were owner occupied
Loan to Value False Claim	28.25% of mortgages in pool were listed as having an LTV greater than 80% on page S-60 of the NAA 2007-1 Prospectus Supplement	66.16% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-60 of the NAA 2007-1 Prospectus Supplement	17.74% of loans had an LTV greater than 100%

408. VRS purchased certificates from the 1A1A tranche of the NAA 2007-1 Certificates with CUSIP No. 65538PAA6 based upon the false claims set forth above, which were material to VRS's investment decision.

(mmmmm) Bear Stearns ALT-A Trust 2005-9

409. The Bear Stearns ALT-A Trust 2005-9 Certificates ("**BALTA 2005-9 Certificates**") were issued pursuant to a prospectus supplement dated September 28, 2005 (the "**BALTA 2005-9 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BALTA 2005-9 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BALTA 2005-9 Certificates: Bear Stearns.

410. The BALTA 2005-9 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	86.78% of mortgages in pool were listed as owner occupied mortgages on page A-69 of the BALTA 2005-9 Prospectus Supplement	Only 70.67% of homes were owner occupied
Loan to Value False Claim	0.92% of mortgages in pool were listed as having an LTV greater than 80% on page A-68 of the BALTA 2005-9 Prospectus Supplement	55.1% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-68 of the BALTA 2005-9 Prospectus Supplement	6.54% of loans had an LTV greater than 100%

411. VRS purchased certificates from the 26A1 tranche of the BALTA 2005-9 Certificates with CUSIP No. 07386HYH8 based upon the false claims set forth above, which were material to VRS's investment decision.

(nnnnn) WaMu Mortgage Pass-Through Certificates, Series 2007-OA5

412. The WaMu Mortgage Pass-Through Certificates, Series 2007-OA5 Certificates ("**WAMU 2007-OA5 Certificates**") were issued pursuant to a prospectus

supplement dated May 22, 2007 (the "**WAMU 2007-OA5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2007-OA5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2007-OA5 Certificates: WaMu.

413. The WAMU 2007-OA5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	77.43% of mortgages in pool were listed as owner occupied mortgages on page S-126 of the WAMU 2007-OA5 Prospectus Supplement	Only 71.9% of homes were owner occupied
Loan to Value False Claim	34.45% of mortgages in pool were listed as having an LTV greater than 80% on page S-127 of the WAMU 2007-OA5 Prospectus Supplement	49.48% of loans had an LTV greater than 80%

414. VRS purchased certificates from the 1A tranche of the WAMU 2007-OA5 Certificates with CUSIP No. 93364BAA8 based upon the false claims set forth above, which were material to VRS's investment decision.

(ooooo) Deutsche Alt-A Securities Mortgage Loan Trust, Series 2006-OA1

415. The Deutsche Alt-A Securities Mortgage Loan Trust, Series 2006-OA1 Certificates ("**DBALT 2006-OA1 Certificates**") were issued pursuant to a prospectus supplement dated December 28, 2006 (the "**DBALT 2006-OA1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the DBALT 2006-OA1 Prospectus Supplement and played a critical role in the

fraudulent structuring, offering, and sale of the DBALT 2006-OA1 Certificates: Deutsche Bank.

416. The DBALT 2006-OA1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	78.51% of mortgages in pool were listed as owner occupied mortgages on page 23 of the DBALT 2006-OA1 Prospectus Supplement	Only 74.54% of homes were owner occupied
Loan to Value False Claim	7.25% of mortgages in pool were listed as having an LTV greater than 80% on page 22 of the DBALT 2006-OA1 Prospectus Supplement	60.93% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 22 of the DBALT 2006-OA1 Prospectus Supplement	10.7% of loans had an LTV greater than 100%

417. VRS purchased certificates from the A1 tranche of the DBALT 2006-OA1 Certificates with CUSIP No. 25150QAA5 based upon the false claims set forth above, which were material to VRS's investment decision.

(ppppp) RFMSI Series 2005-SA1 Trust

418. The RFMSI Series 2005-SA1 Trust Certificates ("**RFMSI 2005-SA1 Certificates**") were issued pursuant to a prospectus supplement dated February 23, 2005 (the "**RFMSI 2005-SA1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RFMSI 2005-SA1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RFMSI 2005-SA1 Certificates: Bear Stearns.

419. The RFMSI 2005-SA1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	98.09% of mortgages in pool were listed as owner occupied mortgages on page S-45 of the RFMSI 2005-SA1 Prospectus Supplement	Only 75.7% of homes were owner occupied
Loan to Value False Claim	1.15% of mortgages in pool were listed as having an LTV greater than 80% on page S-43 of the RFMSI 2005-SA1 Prospectus Supplement	51.74% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-43 of the RFMSI 2005-SA1 Prospectus Supplement	10.6% of loans had an LTV greater than 100%

420. VRS purchased certificates from the 3A tranche of the RFMSI 2005-SA1 Certificates with CUSIP No. 76111XTF0 based upon the false claims set forth above, which were material to VRS's investment decision.

(qqqqq) CHL Mortgage Pass-Through Trust 2005-9 (Group I)

421. The CHL Mortgage Pass-Through Trust 2005-9 (Group I) Certificates ("**CWHL 2005-9 Certificates**") were issued pursuant to a prospectus supplement dated March 28, 2005 (the "**CWHL 2005-9 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWHL 2005-9 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWHL 2005-9 Certificates: UBS.

422. The CWHL 2005-9 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner	81.06% of mortgages in pool were	Only 76.15% of homes

Type	False Claim	Reality
Occupancy False Claim	listed as owner occupied mortgages on page S-29 of the CWHL 2005-9 Prospectus Supplement	were owner occupied
Loan to Value False Claim	2.05% of mortgages in pool were listed as having an LTV greater than 80% on page S-26 of the CWHL 2005-9 Prospectus Supplement	36.97% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-26 of the CWHL 2005-9 Prospectus Supplement	6.9% of loans had an LTV greater than 100%

423. VRS purchased certificates from the 1A1 tranche of the CWHL 2005-9 Certificates with CUSIP No. 12669GYY1 based upon the false claims set forth above, which were material to VRS's investment decision.

(rrrrr) American Home Mortgage Investment Trust 2005-4

424. The American Home Mortgage Investment Trust 2005-4 Certificates ("**AHM 2005-4 Certificates**") were issued pursuant to a prospectus supplement dated October 6, 2005 (the "**AHM 2005-4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the AHM 2005-4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the AHM 2005-4 Certificates: Bear Stearns.

425. The AHM 2005-4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	84.55% of mortgages in pool were listed as owner occupied mortgages on page A-54 of the AHM 2005-4 Prospectus Supplement	Only 76.53% of homes were owner occupied

Type	False Claim	Reality
Loan to Value False Claim	1.77% of mortgages in pool were listed as having an LTV greater than 80% on page A-52 of the AHM 2005-4 Prospectus Supplement	43.5% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-52 of the AHM 2005-4 Prospectus Supplement	20.39% of loans had an LTV greater than 100%

426. VRS purchased certificates from the 5A tranche of the AHM 2005-4 Certificates with CUSIP No. 02660TGW7 based upon the false claims set forth above, which were material to VRS's investment decision.

(sssss) Structured Asset Mortgage Investments II Trust 2006-AR7

427. The Structured Asset Mortgage Investments II Trust 2006-AR7 Certificates ("**SAMI 2006-AR7 Certificates**") were issued pursuant to a prospectus supplement dated August 31, 2006 (the "**SAMI 2006-AR7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SAMI 2006-AR7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SAMI 2006-AR7 Certificates: Bear Stearns.

428. The SAMI 2006-AR7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	83.17% of mortgages in pool were listed as owner occupied mortgages on page A-4 of the SAMI 2006-AR7 Prospectus Supplement	Only 77.82% of homes were owner occupied
Loan to Value False Claim	7.81% of mortgages in pool were listed as having an LTV greater than 80% on page A-2 of the SAMI 2006-AR7 Prospectus Supplement	61.97% of loans had an LTV greater than 80%
Loan to Value	0.00% of mortgages in pool were	13.78% of loans had an

False Claim	listed as having an LTV greater than 100% on page A-2 of the SAMI 2006-AR7 Prospectus Supplement	LTV greater than 100%

429. VRS purchased certificates from the A12 tranche of the SAMI 2006-AR7 Certificates with CUSIP No. 86361HAQ7 based upon the false claims set forth above, which were material to VRS's investment decision.

(ttttt) Bear Stearns ARM Trust 2005-12

430. The Bear Stearns ARM Trust 2005-12 Certificates ("**BSARM 2005-12 Certificates**") were issued pursuant to a prospectus supplement dated December 28, 2005 (the "**BSARM 2005-12 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BSARM 2005-12 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BSARM 2005-12 Certificates: Bear Stearns.

431. The BSARM 2005-12 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	89.58% of mortgages in pool were listed as owner occupied mortgages on page A-28 of the BSARM 2005-12 Prospectus Supplement	Only 78.1% of homes were owner occupied
Loan to Value False Claim	1.9% of mortgages in pool were listed as having an LTV greater than 80% on page A-26 of the BSARM 2005-12 Prospectus Supplement	43.17% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-26 of the BSARM 2005-12 Prospectus Supplement	9.09% of loans had an LTV greater than 100%

432. VRS purchased certificates from the 13A1 tranche of the BSARM 2005-12 Certificates with CUSIP No. 07387AFZ3 based upon the false claims set forth above, which were material to VRS's investment decision.

(uuuuu) SG Mortgage Securities Trust 2006-FRE1

433. The SG Mortgage Securities Trust 2006-FRE1 Certificates ("**SGMS 2006-FRE1 Certificates**") were issued pursuant to a prospectus supplement dated March 27, 2006 (the "**SGMS 2006-FRE1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SGMS 2006-FRE1 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the SGMS 2006-FRE1 Certificates: Deutsche Bank.

434. The SGMS 2006-FRE1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.14% of mortgages in pool were listed as owner occupied mortgages on page S-58 of the SGMS 2006-FRE1 Prospectus Supplement	Only 78.84% of homes were owner occupied
Loan to Value False Claim	33.07% of mortgages in pool were listed as having an LTV greater than 80% on page S-57 of the SGMS 2006-FRE1 Prospectus Supplement	80.11% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-57 of the SGMS 2006-FRE1 Prospectus Supplement	11.63% of loans had an LTV greater than 100%

435. VRS purchased certificates from the A2B tranche of the SGMS 2006-FRE1 Certificates with CUSIP No. 81879MAV1 based upon the false claims set forth above, which were material to VRS's investment decision.

(vvvvv) CHL Mortgage Pass-Through Trust 2005-4

436. The CHL Mortgage Pass-Through Trust 2005-4 Certificates ("**CWHL 2005-4 Certificates**") were issued pursuant to a prospectus supplement dated January 27, 2005 (the "**CWHL 2005-4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWHL 2005-4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWHL 2005-4 Certificates: Goldman Sachs.

437. The CWHL 2005-4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	85.68% of mortgages in pool were listed as owner occupied mortgages on page S-76 of the CWHL 2005-4 Prospectus Supplement	Only 78.86% of homes were owner occupied
Loan to Value False Claim	1.46% of mortgages in pool were listed as having an LTV greater than 80% on page S-73 of the CWHL 2005-4 Prospectus Supplement	52.01% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-73 of the CWHL 2005-4 Prospectus Supplement	11.03% of loans had an LTV greater than 100%

438. VRS purchased certificates from the 4A1 tranche of the CWHL 2005-4 Certificates with CUSIP No. 12669GMS7 based upon the false claims set forth above, which were material to VRS's investment decision.

(wwwww) HarborView Mortgage Loan Trust 2006-12

439. The HarborView Mortgage Loan Trust 2006-12 Certificates ("**HVMLT 2006-12 Certificates**") were issued pursuant to a prospectus supplement dated De-

cember 11, 2006 (the "**HVMLT 2006-12 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HVMLT 2006-12 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HVMLT 2006-12 Certificates: RBS Greenwich.

440. The HVMLT 2006-12 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.11% of mortgages in pool were listed as owner occupied mortgages on page S-55 of the HVMLT 2006-12 Prospectus Supplement	Only 79.93% of homes were owner occupied
Loan to Value False Claim	5.45% of mortgages in pool were listed as having an LTV greater than 80% on page S-57 of the HVMLT 2006-12 Prospectus Supplement	63.51% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-57 of the HVMLT 2006-12 Prospectus Supplement	15.53% of loans had an LTV greater than 100%

441. VRS purchased certificates from the 2A2B tranche of the HVMLT 2006-12 Certificates with CUSIP No. 41162DAG4 based upon the false claims set forth above, which were material to VRS's investment decision.

(xxxxx) HarborView Mortgage Loan Trust 2006-14

442. The HarborView Mortgage Loan Trust 2006-14 Certificates ("**HVMLT 2006-14 Certificates**") were issued pursuant to a prospectus supplement dated December 20, 2006 (the "**HVMLT 2006-14 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the HVMLT 2006-14 Pro-

spectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the HVMLT 2006-14 Certificates: RBS Greenwich.

443. The HVMLT 2006-14 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.68% of mortgages in pool were listed as owner occupied mortgages on page S-51 of the HVMLT 2006-14 Prospectus Supplement	Only 80.42% of homes were owner occupied
Loan to Value False Claim	7.13% of mortgages in pool were listed as having an LTV greater than 80% on page S-53 of the HVMLT 2006-14 Prospectus Supplement	64.3% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-53 of the HVMLT 2006-14 Prospectus Supplement	11.4% of loans had an LTV greater than 100%

444. VRS purchased certificates from the 2A1A tranche of the HVMLT 2006-14 Certificates with CUSIP No. 41162NAC1 based upon the false claims set forth above, which were material to VRS's investment decision.

(yyyyy) Structured Asset Mortgage Investments II Trust 2006-AR6

445. The Structured Asset Mortgage Investments II Trust 2006-AR6 Certificates ("**SAMI 2006-AR6 Certificates**") were issued pursuant to a prospectus supplement dated August 3, 2006 (the "**SAMI 2006-AR6 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SAMI 2006-AR6 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SAMI 2006-AR6 Certificates: Bear Stearns.

446. The SAMI 2006-AR6 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	6.89% of mortgages in pool were listed as having an LTV greater than 80% on page A-8 of the SAMI 2006-AR6 Prospectus Supplement	58.84% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-8 of the SAMI 2006-AR6 Prospectus Supplement	10.12% of loans had an LTV greater than 100%

447. VRS purchased certificates from the 1A2 tranche of the SAMI 2006-AR6 Certificates with CUSIP No. 86360UAB2 based upon the false claims set forth above, which were material to VRS's investment decision.

(zzzzz) ACE Securities Corp. Home Equity Loan Trust, Series 2006-FM1

448. The ACE Securities Corp. Home Equity Loan Trust, Series 2006-FM1 Certificates ("**ACE 2006-FM1 Certificates**") were issued pursuant to a prospectus supplement dated August 17, 2006 (the "**ACE 2006-FM1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ACE 2006-FM1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ACE 2006-FM1 Certificates: Deutsche Bank.

449. The ACE 2006-FM1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner	96.15% of mortgages in pool were	Only 81.74% of homes

Occupancy False Claim	listed as owner occupied mortgages on page S-56 of the ACE 2006-FM1 Prospectus Supplement	were owner occupied
Loan to Value False Claim	30.53% of mortgages in pool were listed as having an LTV greater than 80% on page S-54 of the ACE 2006-FM1 Prospectus Supplement	79.51% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-54 of the ACE 2006-FM1 Prospectus Supplement	16.48% of loans had an LTV greater than 100%

450. VRS purchased certificates from the A2C tranche of the ACE 2006-FM1 Certificates with CUSIP No. 00441VAD0 based upon the false claims set forth above, which were material to VRS's investment decision.

(aaaaaa) Chase Mortgage Finance Trust Series 2005-A2

451. The Chase Mortgage Finance Trust Series 2005-A2 Certificates ("**CHASE 2005-A2 Certificates**") were issued pursuant to a prospectus supplement dated December 20, 2005 (the "**CHASE 2005-A2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CHASE 2005-A2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CHASE 2005-A2 Certificates: JP Morgan.

452. The CHASE 2005-A2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	91.56% of mortgages in pool were listed as owner occupied mortgages on page S-28 of the CHASE 2005-A2	Only 82.51% of homes were owner occupied

	Prospectus Supplement	
Loan to Value False Claim	1.87% of mortgages in pool were listed as having an LTV greater than 80% on page S-25 of the CHASE 2005-A2 Prospectus Supplement	30.31% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-25 of the CHASE 2005-A2 Prospectus Supplement	11.13% of loans had an LTV greater than 100%

453. VRS purchased certificates from the B3 tranche of the CHASE 2005-A2 Certificates with CUSIP No. 16162WQU6 based upon the false claims set forth above, which were material to VRS's investment decision.

(bbbbbb) MASTR Adjustable Rate Mortgages Trust 2007-3

454. The MASTR Adjustable Rate Mortgages Trust 2007-3 Certificates ("**MARM 2007-3 Certificates**") were issued pursuant to a prospectus supplement dated May 14, 2007 (the "**MARM 2007-3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MARM 2007-3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MARM 2007-3 Certificates: UBS.

455. The MARM 2007-3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	92.04% of mortgages in pool were listed as owner occupied mortgages on page II-15 of the MARM 2007-3 Prospectus Supplement	Only 83.36% of homes were owner occupied
Loan to Value	4.14% of mortgages in pool were	67.82% of loans had an

False Claim	listed as having an LTV greater than 80% on page II-14 of the MARM 2007-3 Prospectus Supplement	LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page II-14 of the MARM 2007-3 Prospectus Supplement	14.87% of loans had an LTV greater than 100%

456. VRS purchased certificates from the 12A1 tranche of the MARM 2007-3 Certificates with CUSIP No. 57645NAC4 based upon the false claims set forth above, which were material to VRS's investment decision.

(cccccc) Alternative Loan Trust 2004-15

457. The Alternative Loan Trust 2004-15 Certificates ("**CWALT 2004-15 Certificates**") were issued pursuant to a prospectus supplement dated July 23, 2004 (the "**CWALT 2004-15 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWALT 2004-15 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWALT 2004-15 Certificates: RBS Greenwich.

458. The CWALT 2004-15 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.79% of mortgages in pool were listed as owner occupied mortgages on page S-26 of the CWALT 2004-15 Prospectus Supplement	Only 83.63% of homes were owner occupied
Loan to Value False Claim	3.35% of mortgages in pool were listed as having an LTV greater than 80% on page S-24 of the CWALT	55.11% of loans had an LTV greater than 80%

	2004-15 Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-24 of the CWALT 2004-15 Prospectus Supplement	12.2% of loans had an LTV greater than 100%

459. VRS purchased certificates from the 2A1 tranche of the CWALT 2004-15 Certificates with CUSIP No. 12667FPX7 based upon the false claims set forth above, which were material to VRS's investment decision.

(dddddd) Chase Mortgage Finance Trust Series 2005-A1

460. The Chase Mortgage Finance Trust Series 2005-A1 Certificates ("**CHASE 2005-A1 Certificates**") were issued pursuant to a prospectus supplement dated November 22, 2005 (the "**CHASE 2005-A1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CHASE 2005-A1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CHASE 2005-A1 Certificates: JP Morgan.

461. The CHASE 2005-A1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	89.1% of mortgages in pool were listed as owner occupied mortgages on page S-25 of the CHASE 2005-A1 Prospectus Supplement	Only 83.66% of homes were owner occupied
Loan to Value False Claim	1.02% of mortgages in pool were listed as having an LTV greater than 80% on page S-22 of the CHASE 2005-A1 Prospectus Supplement	27.04% of loans had an LTV greater than 80%
Loan to Value	0.00% of mortgages in pool were	9.49% of loans had an

False Claim	listed as having an LTV greater than 100% on page S-22 of the CHASE 2005-A1 Prospectus Supplement	LTV greater than 100%

462. VRS purchased certificates from the B3 tranche of the CHASE 2005-A1 Certificates with CUSIP No. 16162WPS2 based upon the false claims set forth above, which were material to VRS's investment decision.

(eeeeee) Carrington Mortgage Loan Trust, Series 2006-FRE2

463. The Carrington Mortgage Loan Trust, Series 2006-FRE2 Certificates ("**CARR 2006-FRE2 Certificates**") were issued pursuant to a prospectus supplement dated October 10, 2006 (the "**CARR 2006-FRE2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CARR 2006-FRE2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CARR 2006-FRE2 Certificates: Barclays.

464. The CARR 2006-FRE2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.06% of mortgages in pool were listed as owner occupied mortgages on page S-46 of the CARR 2006-FRE2 Prospectus Supplement	Only 84.08% of homes were owner occupied
Loan to Value False Claim	28.26% of mortgages in pool were listed as having an LTV greater than 80% on page S-46 of the CARR 2006-FRE2 Prospectus Supplement	69.18% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-46 of the CARR	16.61% of loans had an LTV greater than 100%

	2006-FRE2 Prospectus Supplement	

465. VRS purchased certificates from the A2 tranche of the CARR 2006-FRE2 Certificates with CUSIP No. 14454AAB5 based upon the false claims set forth above, which were material to VRS's investment decision.

(ffffff) First Franklin Mortgage Loan Trust 2005-FFH3

466. The First Franklin Mortgage Loan Trust 2005-FFH3 Certificates ("**FFML 2005-FFH3 Certificates**") were issued pursuant to a prospectus supplement dated August 23, 2005 (the "**FFML 2005-FFH3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FFML 2005-FFH3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FFML 2005-FFH3 Certificates: RBS Greenwich.

467. The FFML 2005-FFH3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	99.15% of mortgages in pool were listed as owner occupied mortgages on page S-26 of the FFML 2005-FFH3 Prospectus Supplement	Only 84.52% of homes were owner occupied
Loan to Value False Claim	2.81% of mortgages in pool were listed as having an LTV greater than 100% on page S-27 of the FFML 2005-FFH3 Prospectus Supplement	29.33% of loans had an LTV greater than 100%

468. VRS purchased certificates from the M1 tranche of the FFML 2005-FFH3 Certificates with CUSIP No. 32027NVC2 based upon the false claims set forth above, which were material to VRS's investment decision.

(ggggggg) Bear Stearns ARM Trust 2005-9

469. The Bear Stearns ARM Trust 2005-9 Certificates ("**BSARM 2005-9 Certificates**") were issued pursuant to a prospectus supplement dated September 28, 2005 (the "**BSARM 2005-9 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BSARM 2005-9 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BSARM 2005-9 Certificates: Bear Stearns.

470. The BSARM 2005-9 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	89.4% of mortgages in pool were listed as owner occupied mortgages on page A-6 of the BSARM 2005-9 Prospectus Supplement	Only 84.7% of homes were owner occupied
Loan to Value False Claim	1.01% of mortgages in pool were listed as having an LTV greater than 80% on page A-3 of the BSARM 2005-9 Prospectus Supplement	43.31% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-3 of the BSARM 2005-9 Prospectus Supplement	6.7% of loans had an LTV greater than 100%

471. VRS purchased certificates from the A1 tranche of the BSARM 2005-9 Certificates with CUSIP No. 07387AEG6 based upon the false claims set forth above, which were material to VRS's investment decision.

(hhhhhh) Morgan Stanley ABS Capital I Inc. Trust 2006-HE5

472. The Morgan Stanley ABS Capital I Inc. Trust 2006-HE5 Certificates ("**MSAC 2006-HE5 Certificates**") were issued pursuant to a prospectus supplement dated June 28, 2006 (the "**MSAC 2006-HE5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSAC 2006-HE5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSAC 2006-HE5 Certificates: Morgan Stanley.

473. The MSAC 2006-HE5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	92.45% of mortgages in pool were listed as owner occupied mortgages on page III-S-53 of the MSAC 2006-HE5 Prospectus Supplement	Only 84.96% of homes were owner occupied
Loan to Value False Claim	42.18% of mortgages in pool were listed as having an LTV greater than 80% on page III-S-45 of the MSAC 2006-HE5 Prospectus Supplement	43.29% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-S-45 of the MSAC 2006-HE5 Prospectus Supplement	13.8% of loans had an LTV greater than 100%

474. VRS purchased certificates from the A2C tranche of the MSAC 2006-HE5 Certificates with CUSIP No. 61749NAD9 based upon the false claims set forth above, which were material to VRS's investment decision.

(iiiiii) GSR Mortgage Loan Trust 2005-AR7

475. The GSR Mortgage Loan Trust 2005-AR7 Certificates ("**GSR 2005-AR7 Certificates**") were issued pursuant to a prospectus supplement dated October 27, 2005 (the "**GSR 2005-AR7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GSR 2005-AR7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GSR 2005-AR7 Certificates: Goldman Sachs.

476. The GSR 2005-AR7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.3% of mortgages in pool were listed as owner occupied mortgages on page S-B-4 of the GSR 2005-AR7 Prospectus Supplement	Only 85.12% of homes were owner occupied
Loan to Value False Claim	2.4% of mortgages in pool were listed as having an LTV greater than 80% on page S-B-9 of the GSR 2005-AR7 Prospectus Supplement	33.67% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-B-9 of the GSR 2005-AR7 Prospectus Supplement	7.93% of loans had an LTV greater than 100%

477. VRS purchased certificates from the 6A1 tranche of the GSR 2005-AR7 Certificates with CUSIP No. 362341XG9 based upon the false claims set forth above, which were material to VRS's investment decision.

(jjjjjj) GSR Mortgage Loan Trust 2005-AR2

478. The GSR Mortgage Loan Trust 2005-AR2 Certificates ("**GSR 2005-AR2 Certificates**") were issued pursuant to a prospectus supplement dated March 28, 2005 (the "**GSR 2005-AR2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GSR 2005-AR2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GSR 2005-AR2 Certificates: Goldman Sachs.

479. The GSR 2005-AR2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.28% of mortgages in pool were listed as owner occupied mortgages on page S-B-54 of the GSR 2005-AR2 Prospectus Supplement	Only 85.21% of homes were owner occupied
Loan to Value False Claim	0.32% of mortgages in pool were listed as having an LTV greater than 80% on page S-B-52 of the GSR 2005-AR2 Prospectus Supplement	46.62% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-B-52 of the GSR 2005-AR2 Prospectus Supplement	12.43% of loans had an LTV greater than 100%

480. VRS purchased certificates from the 1B6 tranche of the GSR 2005-AR2 Certificates with CUSIP No. 36242DK69 based upon the false claims set forth above, which were material to VRS's investment decision.

(kkkkkk) CHL Mortgage Pass-Through Trust 2004-22

481. The CHL Mortgage Pass-Through Trust 2004-22 Certificates ("**CWHL 2004-22 Certificates**") were issued pursuant to a prospectus supplement dated September 27, 2004 (the "**CWHL 2004-22 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWHL 2004-22 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWHL 2004-22 Certificates: Bear Stearns.

482. The CWHL 2004-22 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.07% of mortgages in pool were listed as owner occupied mortgages on page S-22 of the CWHL 2004-22 Prospectus Supplement	Only 85.25% of homes were owner occupied
Loan to Value False Claim	1.39% of mortgages in pool were listed as having an LTV greater than 80% on page S-19 of the CWHL 2004-22 Prospectus Supplement	53.7% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-19 of the CWHL 2004-22 Prospectus Supplement	10.34% of loans had an LTV greater than 100%

483. VRS purchased certificates from the A2 and A1 tranche of the CWHL 2004-22 Certificates with CUSIP No. 12669F6Y4 and 12669F6X6 based upon the false claims set forth above, which were material to VRS's investment decision.

(llllll) Bear Stearns Mortgage Funding Trust 2006-AR1

484. The Bear Stearns Mortgage Funding Trust 2006-AR1 Certificates ("**BSMF 2006-AR1 Certificates**") were issued pursuant to a prospectus supplement dated July 28, 2006 (the "**BSMF 2006-AR1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BSMF 2006-AR1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BSMF 2006-AR1 Certificates: Bear Stearns.

485. The BSMF 2006-AR1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.1% of mortgages in pool were listed as owner occupied mortgages on page A-4 of the BSMF 2006-AR1 Prospectus Supplement	Only 85.64% of homes were owner occupied
Loan to Value False Claim	1.22% of mortgages in pool were listed as having an LTV greater than 80% on page A-3 of the BSMF 2006-AR1 Prospectus Supplement	79.29% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-3 of the BSMF 2006-AR1 Prospectus Supplement	8.32% of loans had an LTV greater than 100%

486. VRS purchased certificates from the 1A2 tranche of the BSMF 2006-AR1 Certificates with CUSIP No. 07401LAB9 based upon the false claims set forth above, which were material to VRS's investment decision.

(mmmmmm) Wells Fargo Mortgage Backed Securities 2004-H Trust

487. The Wells Fargo Mortgage Backed Securities 2004-H Trust Certificates ("**WFMBS 2004-H Certificates**") were issued pursuant to a prospectus supplement dated May 20, 2004 (the "**WFMBS 2004-H Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WFMBS 2004-H Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WFMBS 2004-H Certificates: Goldman Sachs.

488. The WFMBS 2004-H Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.36% of mortgages in pool were listed as owner occupied mortgages on page A-4 of the WFMBS 2004-H Prospectus Supplement	Only 85.73% of homes were owner occupied
Loan to Value False Claim	0.97% of mortgages in pool were listed as having an LTV greater than 80% on page A-3 of the WFMBS 2004-H Prospectus Supplement	31.58% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-3 of the WFMBS 2004-H Prospectus Supplement	7.92% of loans had an LTV greater than 100%

489. VRS purchased certificates from the A1 tranche of the WFMBS 2004-H Certificates with CUSIP No. 94979TAA4 based upon the false claims set forth above, which were material to VRS's investment decision.

(nnnnnn) WaMu Mortgage Pass-Through Certificates, Series 2007-HY4

490. The WaMu Mortgage Pass-Through Certificates, Series 2007-HY4 Certificates ("**WAMU 2007-HY4 Certificates**") were issued pursuant to a prospectus supplement dated March 22, 2007 (the "**WAMU 2007-HY4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2007-HY4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2007-HY4 Certificates: WaMu.

491. The WAMU 2007-HY4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	89.72% of mortgages in pool were listed as owner occupied mortgages on page S-106 of the WAMU 2007-HY4 Prospectus Supplement	Only 85.76% of homes were owner occupied
Loan to Value False Claim	20.94% of mortgages in pool were listed as having an LTV greater than 80% on page S-107 of the WAMU 2007-HY4 Prospectus Supplement	44.13% of loans had an LTV greater than 80%

492. VRS purchased certificates from the 1A1 tranche of the WAMU 2007-HY4 Certificates with CUSIP No. 933636AA0 based upon the false claims set forth above, which were material to VRS's investment decision.

(oooooo) Morgan Stanley ABS Capital I Inc. Trust 2006-NC5

493. The Morgan Stanley ABS Capital I Inc. Trust 2006-NC5 Certificates ("**MSAC 2006-NC5 Certificates**") were issued pursuant to a prospectus supplement dated October 27, 2006 (the "**MSAC 2006-NC5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSAC 2006-NC5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSAC 2006-NC5 Certificates: Morgan Stanley.

494. The MSAC 2006-NC5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.2% of mortgages in pool were listed as owner occupied mortgages on page III-46 of the MSAC 2006-NC5 Prospectus Supplement	Only 85.77% of homes were owner occupied
Loan to Value False Claim	42.27% of mortgages in pool were listed as having an LTV greater than 80% on page III-39 of the MSAC 2006-NC5 Prospectus Supplement	45.29% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-39 of the MSAC 2006-NC5 Prospectus Supplement	14.58% of loans had an LTV greater than 100%

495. VRS purchased certificates from the A2C and A2D tranches of the MSAC 2006-NC5 Certificates with CUSIP No. 61749BAE3 and 61749BAF0 based

upon the false claims set forth above, which were material to VRS's investment decision.

(pppppp) GSR Mortgage LoanTrust 2004-8F

496. The GSR Mortgage LoanTrust 2004-8F Certificates ("**GSR 2004-8F Certificates**") were issued pursuant to a prospectus supplement dated July 28, 2004 (the "**GSR 2004-8F Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GSR 2004-8F Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GSR 2004-8F Certificates: Goldman Sachs.

497. The GSR 2004-8F Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.75% of mortgages in pool were listed as owner occupied mortgages on page S-B-13 of the GSR 2004-8F Prospectus Supplement	Only 85.95% of homes were owner occupied
Loan to Value False Claim	3.11% of mortgages in pool were listed as having an LTV greater than 80% on page S-B-11 of the GSR 2004-8F Prospectus Supplement	26.89% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-B-11 of the GSR 2004-8F Prospectus Supplement	12.15% of loans had an LTV greater than 100%

498. VRS purchased certificates from the B1 tranche of the GSR 2004-8F Certificates with CUSIP No. 36242DCN1 based upon the false claims set forth above, which were material to VRS's investment decision.

(qqqqqq) First Franklin Mortgage Loan Trust 2006-FF9

499. The First Franklin Mortgage Loan Trust 2006-FF9 Certificates ("**FFML 2006-FF9 Certificates**") were issued pursuant to a prospectus supplement dated July 6, 2006 (the "**FFML 2006-FF9 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FFML 2006-FF9 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FFML 2006-FF9 Certificates: HSBC.

500. The FFML 2006-FF9 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.47% of mortgages in pool were listed as owner occupied mortgages on page A-17 of the FFML 2006-FF9 Prospectus Supplement	Only 86.09% of homes were owner occupied
Loan to Value False Claim	27.66% of mortgages in pool were listed as having an LTV greater than 80% on page A-7 of the FFML 2006-FF9 Prospectus Supplement	45.84% of loans had an LTV greater than 80%
Loan to Value False Claim	0.17% of mortgages in pool were listed as having an LTV greater than 100% on page A-7 of the FFML 2006-FF9 Prospectus Supplement	16.25% of loans had an LTV greater than 100%

501. VRS purchased certificates from the M1 tranche of the FFML 2006-FF9 Certificates with CUSIP No. 320276AG3 based upon the false claims set forth above, which were material to VRS's investment decision.

(rrrrrr) WaMu Mortgage Pass-Through Certificates, Series 2006-AR18 (Group III)

502. The WaMu Mortgage Pass-Through Certificates, Series 2006-AR18 Group III Certificates ("**WAMU 2006-AR18 Certificates**") were issued pursuant to a prospectus supplement dated December 18, 2006 (the "**WAMU 2006-AR18 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2006-AR18 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2006-AR18 Certificates: WaMu.

503. The WAMU 2006-AR18 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.18% of mortgages in pool were listed as owner occupied mortgages on page S-97 of the WAMU 2006-AR18 Prospectus Supplement	Only 86.36% of homes were owner occupied
Loan to Value False Claim	10.63% of mortgages in pool were listed as having an LTV greater than 80% on page S-98 of the WAMU 2006-AR18 Prospectus Supplement	34.52% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-98 of the WAMU 2006-AR18 Prospectus Supplement	8.22% of loans had an LTV greater than 100%

504. VRS purchased certificates from the 3B3 tranche of the WAMU 2006-AR18 Certificates with CUSIP No. 933637AR1 based upon the false claims set forth above, which were material to VRS's investment decision.

(ssssss) Morgan Stanley ABS Capital I Inc. Trust 2006-HE3

505. The Morgan Stanley ABS Capital I Inc. Trust 2006-HE3 Certificates ("**MSAC 2006-HE3 Certificates**") were issued pursuant to a prospectus supplement dated May 22, 2006 (the "**MSAC 2006-HE3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSAC 2006-HE3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSAC 2006-HE3 Certificates: Morgan Stanley.

506. The MSAC 2006-HE3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.86% of mortgages in pool were listed as owner occupied mortgages on page III-15 of the MSAC 2006-HE3 Prospectus Supplement	Only 86.52% of homes were owner occupied
Loan to Value False Claim	36.56% of mortgages in pool were listed as having an LTV greater than 80% on page III-7 of the MSAC 2006-HE3 Prospectus Supplement	41.19% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-7 of the MSAC 2006-HE3 Prospectus Supplement	12.6% of loans had an LTV greater than 100%

507. VRS purchased certificates from the M2 tranche of the MSAC 2006-HE3 Certificates with CUSIP No. 61749HAG5 based upon the false claims set forth above, which were material to VRS's investment decision.

(ttttt) Morgan Stanley Mortgage Loan Trust 2005-3AR

508. The Morgan Stanley Mortgage Loan Trust 2005-3AR Certificates ("**MSM 2005-3AR Certificates**") were issued pursuant to a prospectus supplement dated June 28, 2005 (the "**MSM 2005-3AR Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSM 2005-3AR Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSM 2005-3AR Certificates: Morgan Stanley.

509. The MSM 2005-3AR Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.66% of mortgages in pool were listed as owner occupied mortgages on page S-31 of the MSM 2005-3AR Prospectus Supplement	Only 86.75% of homes were owner occupied
Loan to Value False Claim	1.25% of mortgages in pool were listed as having an LTV greater than 80% on page S-30 of the MSM 2005-3AR Prospectus Supplement	25.84% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-30 of the MSM 2005-3AR Prospectus Supplement	9.06% of loans had an LTV greater than 100%

510. VRS purchased certificates from the 2A2 tranche of the MSM 2005-3AR Certificates with CUSIP No. 61745M4P5 based upon the false claims set forth above, which were material to VRS's investment decision.

(uuuuuu) ACE Securities Corp. Home Equity Loan Trust, Series 2006-HE2

511. The ACE Securities Corp. Home Equity Loan Trust, Series 2006-HE2 Certificates ("**ACE 2006-HE2 Certificates**") were issued pursuant to a prospectus supplement dated April 25, 2006 (the "**ACE 2006-HE2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ACE 2006-HE2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ACE 2006-HE2 Certificates: Deutsche Bank.

512. The ACE 2006-HE2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.97% of mortgages in pool were listed as owner occupied mortgages on page S-31 of the ACE 2006-HE2 Prospectus Supplement	Only 87.38% of homes were owner occupied
Loan to Value False Claim	38.97% of mortgages in pool were listed as having an LTV greater than 80% on page S-30 of the ACE 2006-HE2 Prospectus Supplement	47.05% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-30 of the ACE 2006-HE2 Prospectus Supplement	14.16% of loans had an LTV greater than 100%

513. VRS purchased certificates from the M2 tranche of the ACE 2006-HE2 Certificates with CUSIP No. 004421YX5 based upon the false claims set forth above, which were material to VRS's investment decision.

(vvvvvv) WaMu Mortgage Pass-Through Certificates, Series 2005-AR19

514. The WaMu Mortgage Pass-Through Certificates, Series 2005-AR19 Certificates ("**WAMU 2005-AR19 Certificates**") were issued pursuant to a prospectus supplement dated December 21, 2005 (the "**WAMU 2005-AR19 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2005-AR19 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2005-AR19 Certificates: WaMu.

515. The WAMU 2005-AR19 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.87% of mortgages in pool were listed as owner occupied mortgages on page S-81 of the WAMU 2005-AR19 Prospectus Supplement	Only 87.77% of homes were owner occupied
Loan to Value False Claim	15.63% of mortgages in pool were listed as having an LTV greater than 80% on page S-84 of the WAMU 2005-AR19 Prospectus Supplement	32.34% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-84 of the WAMU 2005-AR19 Prospectus Supplement	6.43% of loans had an LTV greater than 100%

516. VRS purchased certificates from the A1A2 tranche of the WAMU 2005-AR19 Certificates with CUSIP No. 92925CBB7 based upon the false claims set forth above, which were material to VRS's investment decision.

(wwwwww) Morgan Stanley ABS Capital I Inc. Trust 2006-WMC2

517. The Morgan Stanley ABS Capital I Inc. Trust 2006-WMC2 Certificates ("**MSAC 2006-WMC2 Certificates**") were issued pursuant to a prospectus supplement dated May 25, 2006 (the "**MSAC 2006-WMC2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSAC 2006-WMC2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSAC 2006-WMC2 Certificates: Morgan Stanley.

518. The MSAC 2006-WMC2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.06% of mortgages in pool were listed as owner occupied mortgages on page III-50 of the MSAC 2006-WMC2 Prospectus Supplement	Only 88.14% of homes were owner occupied
Loan to Value False Claim	28.65% of mortgages in pool were listed as having an LTV greater than 80% on page III-42 of the MSAC 2006-WMC2 Prospectus Supplement	35.19% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-42 of the MSAC 2006-WMC2 Prospectus Supplement	9.4% of loans had an LTV greater than 100%

519. VRS purchased certificates from the A2C tranche of the MSAC 2006-WMC2 Certificates with CUSIP No. 61749KAE3 based upon the false claims set forth above, which were material to VRS's investment decision.

(xxxxxx) ACE Securities Corp. Home Equity Loan Trust, Series 2007-HE4

520. The ACE Securities Corp. Home Equity Loan Trust, Series 2007-HE4 Certificates ("**ACE 2007-HE4 Certificates**") were issued pursuant to a prospectus supplement dated April 27, 2007 (the "**ACE 2007-HE4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ACE 2007-HE4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ACE 2007-HE4 Certificates: Deutsche Bank.

521. The ACE 2007-HE4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.24% of mortgages in pool were listed as owner occupied mortgages on page S-61 of the ACE 2007-HE4 Prospectus Supplement	Only 88.3% of homes were owner occupied
Loan to Value False Claim	36.37% of mortgages in pool were listed as having an LTV greater than 80% on page S-59 of the ACE 2007-HE4 Prospectus Supplement	56.12% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-59 of the ACE 2007-HE4 Prospectus Supplement	21.26% of loans had an LTV greater than 100%

522. VRS purchased certificates from the A2A tranche of the ACE 2007-HE4 Certificates with CUSIP No. 00442LAB5 based upon the false claims set forth above, which were material to VRS's investment decision.

(yyyyyy) WaMu Mortgage Pass-Through Certificates, Series 2007-HY2

523. The WaMu Mortgage Pass-Through Certificates, Series 2007-HY2 Certificates ("**WAMU 2007-HY2 Certificates**") were issued pursuant to a prospectus supplement dated February 13, 2007 (the "**WAMU 2007-HY2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2007-HY2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2007-HY2 Certificates: WaMu.

524. The WAMU 2007-HY2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.29% of mortgages in pool were listed as owner occupied mortgages on page S-96 of the WAMU 2007-HY2 Prospectus Supplement	Only 88.5% of homes were owner occupied
Loan to Value False Claim	18.19% of mortgages in pool were listed as having an LTV greater than 80% on page S-97 of the WAMU 2007-HY2 Prospectus Supplement	38.7% of loans had an LTV greater than 80%

525. VRS purchased certificates from the 1A1 tranche of the WAMU 2007-HY2 Certificates with CUSIP No. 92926UAA9 based upon the false claims set forth above, which were material to VRS's investment decision.

(zzzzzz) ACE Securities Corp. Home Equity Loan Trust, Series 2007-HE5

526. The ACE Securities Corp. Home Equity Loan Trust, Series 2007-HE5 Certificates ("**ACE 2007-HE5 Certificates**") were issued pursuant to a prospectus supplement dated June 22, 2007 (the "**ACE 2007-HE5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ACE 2007-HE5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ACE 2007-HE5 Certificates: Deutsche Bank.

527. The ACE 2007-HE5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.3% of mortgages in pool were listed as owner occupied mortgages on page S-55 of the ACE 2007-HE5 Prospectus Supplement	Only 88.85% of homes were owner occupied
Loan to Value False Claim	65.19% of mortgages in pool were listed as having an LTV greater than 80% on page S-54 of the ACE 2007-HE5 Prospectus Supplement	74.38% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-54 of the ACE 2007-HE5 Prospectus Supplement	35.38% of loans had an LTV greater than 100%

528. VRS purchased certificates from the A2B tranche of the ACE 2007-HE5 Certificates with CUSIP No. 000797AC4 based upon the false claims set forth above, which were material to VRS's investment decision.

(aaaaaaa) RASC Series 2006-EMX9 Trust

529. The RASC Series 2006-EMX9 Trust Certificates ("**RASC 2006-EMX9 Certificates**") were issued pursuant to a prospectus supplement dated October 25, 2006 (the "**RASC 2006-EMX9 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RASC 2006-EMX9 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RASC 2006-EMX9 Certificates: Barclays.

530. The RASC 2006-EMX9 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.91% of mortgages in pool were listed as owner occupied mortgages on page II-6 of the RASC 2006-EMX9 Prospectus Supplement	Only 88.92% of homes were owner occupied
Loan to Value False Claim	55.06% of mortgages in pool were listed as having an LTV greater than 80% on page II-4 of the RASC 2006-EMX9 Prospectus Supplement	83.42% of loans had an LTV greater than 80%
Loan to Value False Claim	0.01% of mortgages in pool were listed as having an LTV greater than 100% on page II-4 of the RASC 2006-EMX9 Prospectus Supplement	28.8% of loans had an LTV greater than 100%

531. VRS purchased certificates from the 1A3 tranche of the RASC 2006-EMX9 Certificates with CUSIP No. 74924VAC3 based upon the false claims set forth above, which were material to VRS's investment decision.

(bbbbbbb) ACE SECURITIES CORP. Home Equity Loan Trust, Series 2005-HE7

532. The ACE SECURITIES CORP. Home Equity Loan Trust, Series 2005-HE7 Certificates ("**ACE 2005-HE7 Certificates**") were issued pursuant to a prospectus supplement dated November 23, 2005 (the "**ACE 2005-HE7 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ACE 2005-HE7 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ACE 2005-HE7 Certificates: Deutsche Bank.

533. The ACE 2005-HE7 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.79% of mortgages in pool were listed as owner occupied mortgages on page S-63 of the ACE 2005-HE7 Prospectus Supplement	Only 89.16% of homes were owner occupied
Loan to Value False Claim	34.09% of mortgages in pool were listed as having an LTV greater than 80% on page S-62 of the ACE 2005-HE7 Prospectus Supplement	47.69% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-62 of the ACE 2005-HE7 Prospectus Supplement	14.79% of loans had an LTV greater than 100%

534. VRS purchased certificates from the A2D tranche of the ACE 2005-HE7 Certificates with CUSIP No. 004421UB7 based upon the false claims set forth above, which were material to VRS's investment decision.

(ccccccc) Morgan Stanley Capital I Inc. Trust 2006-HE2

535. The Morgan Stanley Capital I Inc. Trust 2006-HE2 Certificates ("**MSAC 2006-HE2 Certificates**") were issued pursuant to a prospectus supplement dated April 24, 2006 (the "**MSAC 2006-HE2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSAC 2006-HE2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSAC 2006-HE2 Certificates: Morgan Stanley.

536. The MSAC 2006-HE2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.6% of mortgages in pool were listed as owner occupied mortgages on page III-13 of the MSAC 2006-HE2 Prospectus Supplement	Only 89.29% of homes were owner occupied
Loan to Value False Claim	32.29% of mortgages in pool were listed as having an LTV greater than 80% on page III-5 of the MSAC 2006-HE2 Prospectus Supplement	44.86% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-5 of the MSAC 2006-HE2 Prospectus Supplement	14.9% of loans had an LTV greater than 100%

537. VRS purchased certificates from the M1 and M2 tranches of the MSAC 2006-HE2 Certificates with CUSIP No. 617451EW5 and 617451EX3 based upon the false claims set forth above, which were material to VRS's investment decision.

(ddddddd) Mortgage Pass-Through Trust 2004-HYB4

538. The Mortgage Pass-Through Trust 2004-HYB4 Certificates ("**CWHL 2004-HYB4 Certificates**") were issued pursuant to a prospectus supplement dated July 27, 2004 (the "**CWHL 2004-HYB4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWHL 2004-HYB4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWHL 2004-HYB4 Certificates: Countrywide.

539. The CWHL 2004-HYB4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.01% of mortgages in pool were listed as owner occupied mortgages on page S-27 of the CWHL 2004-HYB4 Prospectus Supplement	Only 90.77% of homes were owner occupied
Loan to Value False Claim	4.7% of mortgages in pool were listed as having an LTV greater than 80% on page S-24 of the CWHL 2004-HYB4 Prospectus Supplement	52.9% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-24 of the CWHL 2004-HYB4 Prospectus Supplement	8.61% of loans had an LTV greater than 100%

540. VRS purchased certificates from the 2A2 tranche of the CWHL 2004-HYB4 Certificates with CUSIP No. 12669FY72 based upon the false claims set forth above, which were material to VRS's investment decision.

(eeeeeee) RASC Series 2006-EMX6 Trust

541. The RASC Series 2006-EMX6 Trust Certificates ("**RASC 2006-EMX6 Certificates**") were issued pursuant to a prospectus supplement dated July 25,

2006 (the "**RASC 2006-EMX6 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RASC 2006-EMX6 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RASC 2006-EMX6 Certificates: JP Morgan.

542. The RASC 2006-EMX6 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.67% of mortgages in pool were listed as owner occupied mortgages on page II-6 of the RASC 2006-EMX6 Prospectus Supplement	Only 91.74% of homes were owner occupied
Loan to Value False Claim	36.58% of mortgages in pool were listed as having an LTV greater than 80% on page II-4 of the RASC 2006-EMX6 Prospectus Supplement	80.57% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page II-4 of the RASC 2006-EMX6 Prospectus Supplement	18.53% of loans had an LTV greater than 100%

543. VRS purchased certificates from the A3 tranche of the RASC 2006-EMX6 Certificates with CUSIP No. 754065AC4 based upon the false claims set forth above, which were material to VRS's investment decision.

(fffffff) Merrill Lynch Mortgage Investors Trust Series 2006-HE6

544. The Merrill Lynch Mortgage Investors Trust Series 2006-HE6 Certificates ("**MLMI 2006-HE6 Certificates**") were issued pursuant to a prospectus supplement dated December 21, 2006 (the "**MLMI 2006-HE6 Prospectus Supple-**

ment"). The following underwriter is responsible for the false claims made in the MLMI 2006-HE6 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MLMI 2006-HE6 Certificates: Merrill Lynch.

545. The MLMI 2006-HE6 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-II-29 of the MLMI 2006-HE6 Prospectus Supplement	18.19% of loans had an LTV greater than 100%

546. VRS purchased certificates from the A2C tranche of the MLMI 2006-HE6 Certificates with CUSIP No. 59023XAD8 based upon the false claims set forth above, which were material to VRS's investment decision.

(ggggggg) First Franklin Mortgage Loan Trust, Series 2006-FF18

547. The First Franklin Mortgage Loan Trust, Series 2006-FF18 Certificates ("**FFML 2006-FF18 Certificates**") were issued pursuant to a prospectus supplement dated December 22, 2006 (the "**FFML 2006-FF18 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FFML 2006-FF18 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FFML 2006-FF18 Certificates: Merrill Lynch.

548. The FFML 2006-FF18 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	28.07% of mortgages in pool were listed as having an LTV greater than 80% on page A-II-24 of the FFML 2006-FF18 Prospectus Supplement	36.9% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-II-24 of the FFML 2006-FF18 Prospectus Supplement	10.65% of loans had an LTV greater than 100%

549. VRS purchased certificates from the A2C tranche of the FFML 2006-FF18 Certificates with CUSIP No. 32029AAD9 based upon the false claims set forth above, which were material to VRS's investment decision.

(hhhhhhh) ABFC Asset-Backed Certificates, Series 2005-AQ1

550. The ABFC Asset-Backed Certificates, Series 2005-AQ1 Certificates ("**ABFC 2005-AQ1 Certificates**") were issued pursuant to a prospectus supplement dated June 3, 2005 (the "**ABFC 2005-AQ1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the ABFC 2005-AQ1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the ABFC 2005-AQ1 Certificates: Banc of America.

551. The ABFC 2005-AQ1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-25 of the ABFC 2005-AQ1 Prospectus Supplement	13.54% of loans had an LTV greater than 100%

552. VRS purchased certificates from the B2 tranche of the ABFC 2005-AQ1 Certificates with CUSIP No. 04542BMN9 based upon the false claims set forth above, which were material to VRS's investment decision.

(iiiiiii) Merrill Lynch Mortgage Investors Trust Series 2006-HE3

553. The Merrill Lynch Mortgage Investors Trust Series 2006-HE3 Certificates ("**MLMI 2006-HE3 Certificates**") were issued pursuant to a prospectus supplement dated June 19, 2006 (the "**MLMI 2006-HE3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MLMI 2006-HE3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MLMI 2006-HE3 Certificates: Merrill Lynch.

554. The MLMI 2006-HE3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	39.17% of mortgages in pool were listed as having an LTV greater than 80% on page A-II-6 of the MLMI 2006-HE3 Prospectus Supplement	43.21% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-II-6 of the MLMI 2006-HE3 Prospectus Supplement	10.41% of loans had an LTV greater than 100%

555. VRS purchased certificates from the A2 tranche of the MLMI 2006-HE3 Certificates with CUSIP No. 590212AB2 based upon the false claims set forth above, which were material to VRS's investment decision.

(jjjjjjj) American Home Mortgage Assets Trust 2006-4

556. The American Home Mortgage Assets Trust 2006-4 Certificates ("**AHMA 2006-4 Certificates**") were issued pursuant to a prospectus supplement dated August 29, 2006 (the "**AHMA 2006-4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the AHMA 2006-4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the AHMA 2006-4 Certificates: Deutsche Bank.

557. The AHMA 2006-4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	22.93% of mortgages in pool were listed as having an LTV greater than 80% on page A-28 of the AHMA 2006-4 Prospectus Supplement	46.23% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-28 of the AHMA 2006-4 Prospectus Supplement	14.23% of loans had an LTV greater than 100%

558. VRS purchased certificates from the 2A2 tranche of the AHMA 2006-4 Certificates with CUSIP No. 02660LAG5 based upon the false claims set forth above, which were material to VRS's investment decision.

(kkkkkkk) C-BASS 2007-CB4 Trust

559. The C-BASS 2007-CB4 Trust Certificates ("**CBASS 2007-CB4 Certificates**") were issued pursuant to a prospectus supplement dated April 26, 2007 (the "**CBASS 2007-CB4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CBASS 2007-CB4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CBASS 2007-CB4 Certificates: Merrill Lynch.

560. The CBASS 2007-CB4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-II-21 of the CBASS 2007-CB4 Prospectus Supplement	14.07% of loans had an LTV greater than 100%

561. VRS purchased certificates from the A1A tranche of the CBASS 2007-CB4 Certificates with CUSIP No. 1248MEAA7 based upon the false claims set forth above, which were material to VRS's investment decision.

(lllllll) WaMu Mortgage Pass-Through Certificates, Series 2005-AR15

562. The WaMu Mortgage Pass-Through Certificates, Series 2005-AR15 Certificates ("**WAMU 2005-AR15 Certificates**") were issued pursuant to a prospectus supplement dated November 18, 2005 (the "**WAMU 2005-AR15 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2005-AR15 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2005-AR15 Certificates: WaMu.

563. The WAMU 2005-AR15 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.82% of mortgages in pool were listed as owner occupied mortgages on page S-98 of the WAMU 2005-AR15 Prospectus Supplement	Only 84.13% of homes were owner occupied

564. VRS purchased certificates from the A1A2 tranche of the WAMU 2005-AR15 Certificates with CUSIP No. 92922F5U8 based upon the false claims set forth above, which were material to VRS's investment decision.

(mmmmmmm) Home Loan Trust 2007-HI1

565. The Home Loan Trust 2007-HI1 Certificates ("**RFMS2 2007-HI1 Certificates**") were issued pursuant to a prospectus supplement dated March 27, 2007 (the "**RFMS2 2007-HI1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RFMS2 2007-HI1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RFMS2 2007-HI1 Certificates: Bear Stearns.

566. The RFMS2 2007-HI1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	99.4% of mortgages in pool were listed as owner occupied mortgages on page II-9 of the RFMS2 2007-HI1	Only 96.51% of homes were owner occupied

	Prospectus Supplement	

567. VRS purchased certificates from the A2 tranche of the RFMS2 2007-HI1 Certificates with CUSIP No. 43718WAB8 based upon the false claims set forth above, which were material to VRS's investment decision.

(nnnnnnn) Saxon Asset Securities Trust 2007-2

568. The Saxon Asset Securities Trust 2007-2 Certificates ("**SAST 2007-2 Certificates**") were issued pursuant to a prospectus supplement dated April 25, 2007 (the "**SAST 2007-2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SAST 2007-2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SAST 2007-2 Certificates: Morgan Stanley.

569. The SAST 2007-2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.76% of mortgages in pool were listed as owner occupied mortgages on page S-A-15 of the SAST 2007-2 Prospectus Supplement	Only 92.51% of homes were owner occupied

570. VRS purchased certificates from the M6 tranche of the SAST 2007-2 Certificates with CUSIP No. 80556YAL9 based upon the false claims set forth above, which were material to VRS's investment decision.

(ooooooo) GMACM Home Equity Loan Trust 2007-HE1

571. The GMACM Home Equity Loan Trust 2007-HE1 Certificates ("**GMACM 2007-HE1 Certificates**") were issued pursuant to a prospectus sup-

plement dated March 28, 2007 (the "**GMACM 2007-HE1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GMACM 2007-HE1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GMACM 2007-HE1 Certificates: JP Morgan.

572. The GMACM 2007-HE1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.88% of mortgages in pool were listed as owner occupied mortgages on page A-I-4 of the GMACM 2007-HE1 Prospectus Supplement	Only 81.68% of homes were owner occupied
Loan to Value False Claim	51.69% of mortgages in pool were listed as having an LTV greater than 80% on page A-I-3 of the GMACM 2007-HE1 Prospectus Supplement	53.42% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-I-3 of the GMACM 2007-HE1 Prospectus Supplement	18.31% of loans had an LTV greater than 100%

573. VRS purchased certificates from the A2 tranche of the GMACM 2007-HE1 Certificates with CUSIP No. 36186KAB1 based upon the false claims set forth above, which were material to VRS's investment decision.

(ppppppp) Merrill Lynch Mortgage Investors Trust, Series 2007-SL1

574. The Merrill Lynch Mortgage Investors Trust, Series 2007-SL1 Certificates ("**MLMI 2007-SL1 Certificates**") were issued pursuant to a prospectus supplement dated May 10, 2007 (the "**MLMI 2007-SL1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MLMI

2007-SL1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MLMI 2007-SL1 Certificates: Merrill Lynch.

575. The MLMI 2007-SL1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	97.9% of mortgages in pool were listed as owner occupied mortgages on page A-II-7 of the MLMI 2007-SL1 Prospectus Supplement	Only 89.68% of homes were owner occupied
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-II-5 of the MLMI 2007-SL1 Prospectus Supplement	14.24% of loans had an LTV greater than 100%

576. VRS purchased certificates from the A1 tranche of the MLMI 2007-SL1 Certificates with CUSIP No. 59025AAA2 based upon the false claims set forth above, which were material to VRS's investment decision.

(qqqqqqq) First Horizon Mortgage Pass-Through Trust 2005-6

577. The First Horizon Mortgage Pass-Through Trust 2005-6 Certificates ("**FHASI 2005-6 Certificates**") were issued pursuant to a prospectus supplement dated September 26, 2005 (the "**FHASI 2005-6 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FHASI 2005-6 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FHASI 2005-6 Certificates: Goldman Sachs.

578. The FHASI 2005-6 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.1% of mortgages in pool were listed as owner occupied mortgages on page III-2 of the FHASI 2005-6 Prospectus Supplement	Only 83.98% of homes were owner occupied
Loan to Value False Claim	1.77% of mortgages in pool were listed as having an LTV greater than 80% on page III-1 of the FHASI 2005-6 Prospectus Supplement	45.55% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-1 of the FHASI 2005-6 Prospectus Supplement	13.46% of loans had an LTV greater than 100%

579. VRS purchased certificates from the B3 tranche of the FHASI 2005-6 Certificates with CUSIP No. 32051GXB6 based upon the false claims set forth above, which were material to VRS's investment decision.

(rrrrrrr) C-BASS Mortgage Loan Trust 2007-CB3

580. The C-BASS Mortgage Loan Trust 2007-CB3 Certificates ("**CBASS 2007-CB3 Certificates**") were issued pursuant to a prospectus supplement dated March 23, 2007 (the "**CBASS 2007-CB3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CBASS 2007-CB3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CBASS 2007-CB3 Certificates: Citigroup.

581. The CBASS 2007-CB3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner	90.82% of mortgages in pool were	Only 86.01% of homes

Occupancy False Claim	listed as owner occupied mortgages on page S-33 of the CBASS 2007-CB3 Prospectus Supplement	were owner occupied

582. VRS purchased certificates from the A1 tranche of the CBASS 2007-CB3 Certificates with CUSIP No. 17311YAA1 based upon the false claims set forth above, which were material to VRS's investment decision.

(sssssss) Securitized Asset Backed Receivables LLC Trust 2007-BR3

583. The Securitized Asset Backed Receivables LLC Trust 2007-BR3 Certificates ("**SABR 2007-BR3 Certificates**") were issued pursuant to a prospectus supplement dated June 11, 2007 (the "**SABR 2007-BR3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SABR 2007-BR3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SABR 2007-BR3 Certificates: Barclays.

584. The SABR 2007-BR3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.35% of mortgages in pool were listed as owner occupied mortgages on page A-18 of the SABR 2007-BR3 Prospectus Supplement	Only 85.57% of homes were owner occupied
Loan to Value False Claim	50.96% of mortgages in pool were listed as having an LTV greater than 80% on page A-21 of the SABR 2007-BR3 Prospectus Supplement	53.63% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-21 of the SABR 2007-BR3 Prospectus Supplement	21.43% of loans had an LTV greater than 100%

585. VRS purchased certificates from the A2B tranche of the SABR 2007-BR3 Certificates with CUSIP No. 81377NAB0 based upon the false claims set forth above, which were material to VRS's investment decision.

(ttttttt) BCAP LLC Trust 2007-AA1

586. The BCAP LLC Trust 2007-AA1 Certificates ("**BCAP 2007-AA1 Certificates**") were issued pursuant to a prospectus supplement dated February 26, 2007 (the "**BCAP 2007-AA1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BCAP 2007-AA1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BCAP 2007-AA1 Certificates: Barclays.

587. The BCAP 2007-AA1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	79.68% of mortgages in pool were listed as owner occupied mortgages on page A-11 of the BCAP 2007-AA1 Prospectus Supplement	Only 75.49% of homes were owner occupied
Loan to Value False Claim	1.2% of mortgages in pool were listed as having an LTV greater than 80% on page A-6 of the BCAP 2007-AA1 Prospectus Supplement	31.67% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-6 of the BCAP 2007-AA1 Prospectus Supplement	11.51% of loans had an LTV greater than 100%

588. VRS purchased certificates from the 1A1 tranche of the BCAP 2007-AA1 Certificates with CUSIP No. 05530PAA0 based upon the false claims set forth above, which were material to VRS's investment decision.

(uuuuuuu) American Home Mortgage Assets Trust 2006-2

589. The American Home Mortgage Assets Trust 2006-2 Certificates ("**AHMA 2006-2 Certificates**") were issued pursuant to a prospectus supplement dated June 30, 2006 (the "**AHMA 2006-2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the AHMA 2006-2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the AHMA 2006-2 Certificates: UBS.

590. The AHMA 2006-2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	75.4% of mortgages in pool were listed as owner occupied mortgages on page 118 of the AHMA 2006-2 Prospectus Supplement	Only 70.96% of homes were owner occupied
Loan to Value False Claim	23.99% of mortgages in pool were listed as having an LTV greater than 80% on page 116 of the AHMA 2006-2 Prospectus Supplement	52.42% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 116 of the AHMA 2006-2 Prospectus Supplement	16.04% of loans had an LTV greater than 100%

591. VRS purchased certificates from the 2A2 tranche of the AHMA 2006-2 Certificates with CUSIP No. 02660XAE4 based upon the false claims set forth above, which were material to VRS's investment decision.

(vvvvvvv) Bayview Financial Mortgage Pass-Through Trust 2007-A

592. The Bayview Financial Mortgage Pass-Through Trust 2007-A Certificates ("**BAYV 2007-A Certificates**") were issued pursuant to a prospectus supple-

ment dated April 13, 2007 (the "**BAYV 2007-A Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BAYV 2007-A Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BAYV 2007-A Certificates: JP Morgan.

593. The BAYV 2007-A Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	78.99% of mortgages in pool were listed as owner occupied mortgages on page S-C-35 of the BAYV 2007-A Prospectus Supplement	Only 38.54% of homes were owner occupied
Loan to Value False Claim	56.13% of mortgages in pool were listed as having an LTV greater than 80% on page S-C-25 of the BAYV 2007-A Prospectus Supplement	76.26% of loans had an LTV greater than 80%
Loan to Value False Claim	1.35% of mortgages in pool were listed as having an LTV greater than 100% on page S-C-25 of the BAYV 2007-A Prospectus Supplement	43.73% of loans had an LTV greater than 100%

594. VRS purchased certificates from the 1A1 tranche of the BAYV 2007-A Certificates with CUSIP No. 07325VAB0 based upon the false claims set forth above, which were material to VRS's investment decision.

(wwwwwww) J.P. Morgan Alternative Loan Trust 2006-A5

595. The J.P. Morgan Alternative Loan Trust 2006-A5 Certificates ("**JPALT 2006-A5 Certificates**") were issued pursuant to a prospectus supplement dated September 28, 2006 (the "**JPALT 2006-A5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the JPALT 2006-

A5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the JPALT 2006-A5 Certificates: JP Morgan.

596. The JPALT 2006-A5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	83.64% of mortgages in pool were listed as owner occupied mortgages on page A-5 of the JPALT 2006-A5 Prospectus Supplement	Only 79.07% of homes were owner occupied
Loan to Value False Claim	4.18% of mortgages in pool were listed as having an LTV greater than 80% on page A-2 of the JPALT 2006-A5 Prospectus Supplement	33.42% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-2 of the JPALT 2006-A5 Prospectus Supplement	10.84% of loans had an LTV greater than 100%

597. VRS purchased certificates from the 2A3 tranche of the JPALT 2006-A5 Certificates with CUSIP No. 466284AN6 based upon the false claims set forth above, which were material to VRS's investment decision.

(xxxxxxx) RFMSI Series 2006-S1 Trust

598. The RFMSI Series 2006-S1 Trust Certificates ("**RFMSI 2006-S1 Certificates**") were issued pursuant to a prospectus supplement dated October 29, 2007 (the "**RFMSI 2006-S1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RFMSI 2006-S1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RFMSI 2006-S1 Certificates: RBS Greenwich.

599. The RFMSI 2006-S1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.26% of mortgages in pool were listed as owner occupied mortgages on page I-24 of the RFMSI 2006-S1 Prospectus Supplement	Only 91.87% of homes were owner occupied
Loan to Value False Claim	3.3% of mortgages in pool were listed as having an LTV greater than 80% on page I-12 of the RFMSI 2006-S1 Prospectus Supplement	41.5% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page I-12 of the RFMSI 2006-S1 Prospectus Supplement	10.22% of loans had an LTV greater than 100%

600. VRS purchased certificates from the B1 and B2 tranches of the RFMSI 2006-S1 Certificates with CUSIP No. 76111XL35 and 76111XL43 based upon the false claims set forth above, which were material to VRS's investment decision.

(yyyyyyy) CHL Mortgage Pass-Through Trust 2007-13

601. The CHL Mortgage Pass-Through Trust 2007-13 Certificates ("**CWHL 2007-13 Certificates**") were issued pursuant to a prospectus supplement dated June 27, 2007 (the "**CWHL 2007-13 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the CWHL 2007-13 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the CWHL 2007-13 Certificates: Bear Stearns and Countrywide.

602. The CWHL 2007-13 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner	94.02% of mortgages in pool were	Only 87.33% of homes

Type	False Claim	Reality
Occupancy False Claim	listed as owner occupied mortgages on page A-7 of the CWHL 2007-13 Prospectus Supplement	were owner occupied
Loan to Value False Claim	2.82% of mortgages in pool were listed as having an LTV greater than 80% on page A-4 of the CWHL 2007-13 Prospectus Supplement	47.59% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-4 of the CWHL 2007-13 Prospectus Supplement	11.74% of loans had an LTV greater than 100%

603. VRS purchased certificates from the B5 tranche of the CWHL 2007-13 Certificates with CUSIP No. 17025JAZ6 based upon the false claims set forth above, which were material to VRS's investment decision.

(zzzzzzz) RFMSI Series 2007-S4 Trust

604. The RFMSI Series 2007-S4 Trust Certificates ("**RFMSI 2007-S4 Certificates**") were issued pursuant to a prospectus supplement dated April 25, 2007 (the "**RFMSI 2007-S4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RFMSI 2007-S4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RFMSI 2007-S4 Certificates: RBS Greenwich.

605. The RFMSI 2007-S4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.98% of mortgages in pool were listed as owner occupied mortgages on page I-4 of the RFMSI 2007-S4 Prospectus Supplement	Only 87.33% of homes were owner occupied
Loan to Value False Claim	2.3% of mortgages in pool were listed as having an LTV greater than 80%	52.39% of loans had an LTV greater than 80%

Type	False Claim	Reality
	on page I-2 of the RFMSI 2007-S4 Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page I-2 of the RFMSI 2007-S4 Prospectus Supplement	14.16% of loans had an LTV greater than 100%

606. VRS purchased certificates from the B1 and B2 tranches of the RFMSI 2007-S4 Certificates with CUSIP No. 74958YAX0 and 74958YAY8 based upon the false claims set forth above, which were material to VRS's investment decision.

(aaaaaaaa) Wells Fargo Mortgage Backed Securities 2006-8 Trust

607. The Wells Fargo Mortgage Backed Securities 2006-8 Trust Certificates ("**WFMBS 2006-8 Certificates**") were issued pursuant to a prospectus supplement dated June 27, 2006 (the "**WFMBS 2006-8 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WFMBS 2006-8 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WFMBS 2006-8 Certificates: Banc of America.

608. The WFMBS 2006-8 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.27% of mortgages in pool were listed as owner occupied mortgages on page A-5 of the WFMBS 2006-8 Prospectus Supplement	Only 83.45% of homes were owner occupied
Loan to Value False Claim	0.81% of mortgages in pool were listed as having an LTV greater than 80% on page A-4 of the WFMBS 2006-8 Prospectus Supplement	42.75% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-4 of the WFMBS	8.74% of loans had an LTV greater than 100%

Type	False Claim	Reality
	2006-8 Prospectus Supplement	

609. VRS purchased certificates from the B3 tranche of the WFMBS 2006-8 Certificates with CUSIP No. 94983SBC5 based upon the false claims set forth above, which were material to VRS's investment decision.

(bbbbbbbb) RFMSI Series 2007-S3 Trust

610. The RFMSI Series 2007-S3 Trust Certificates ("**RFMSI 2007-S3 Certificates**") were issued pursuant to a prospectus supplement dated March 28, 2007 (the "**RFMSI 2007-S3 Prospectus Supplement**"). The following underwriters are responsible for the false claims made in the RFMSI 2007-S3 Prospectus Supplement and played critical roles in the fraudulent structuring, offering, and sale of the RFMSI 2007-S3 Certificates: Bear Stearns and RBS Greenwich.

611. The RFMSI 2007-S3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.47% of mortgages in pool were listed as owner occupied mortgages on page III-5 of the RFMSI 2007-S3 Prospectus Supplement	Only 88.57% of homes were owner occupied
Loan to Value False Claim	6.46% of mortgages in pool were listed as having an LTV greater than 80% on page 129 of the RFMSI 2007-S3 Prospectus Supplement	52.66% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-3 of the RFMSI 2007-S3 Prospectus Supplement	17.1% of loans had an LTV greater than 100%

612. VRS purchased certificates from the B1 tranche of the RFMSI 2007-S3 Certificates with CUSIP No. 74958BAD4 based upon the false claims set forth above, which were material to VRS's investment decision.

(cccccccc) Soundview Home Loan Trust 2006-3

613. The Soundview Home Loan Trust 2006-3 Certificates ("**SVHE 2006-3 Certificates**") were issued pursuant to a prospectus supplement dated August 10, 2006 (the "**SVHE 2006-3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SVHE 2006-3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SVHE 2006-3 Certificates: RBS Greenwich.

614. The SVHE 2006-3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.14% of mortgages in pool were listed as owner occupied mortgages on page S-32 of the SVHE 2006-3 Prospectus Supplement	Only 88.44% of homes were owner occupied
Loan to Value False Claim	44.85% of mortgages in pool were listed as having an LTV greater than 80% on page S-33 of the SVHE 2006-3 Prospectus Supplement	51.34% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-33 of the SVHE 2006-3 Prospectus Supplement	18.09% of loans had an LTV greater than 100%

615. VRS purchased certificates from the M6 tranche of the SVHE 2006-3 Certificates with CUSIP No. 83612HAK4 based upon the false claims set forth above, which were material to VRS's investment decision.

(ddddddddd) CWABS Asset-Backed Certificates Trust 2007-4

616. The CWABS Asset-Backed Certificates Trust 2007-4 Certificates ("**CWL 2007-4 Certificates**") were issued pursuant to a prospectus supplement dated March 28, 2007 (the "**CWL 2007-4 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWL 2007-4 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWL 2007-4 Certificates: Countrywide.

617. The CWL 2007-4 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.94% of mortgages in pool were listed as owner occupied mortgages on page A-6 of the CWL 2007-4 Prospectus Supplement	Only 94.54% of homes were owner occupied
Loan to Value False Claim	40.71% of mortgages in pool were listed as having an LTV greater than 80% on page A-4 of the CWL 2007-4 Prospectus Supplement	58.16% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-4 of the CWL 2007-4 Prospectus Supplement	22.51% of loans had an LTV greater than 100%

618. VRS purchased certificates from the A2 and A1B tranches of the CWL 2007-4 Certificates with CUSIP No. 12668WAB3 and 12668WAT4 based upon the false claims set forth above, which were material to VRS's investment decision.

(eeeeeeee) GSAMP Trust 2007-H1

619. The GSAMP Trust 2007-H1 Certificates ("**GSAMP 2007-H1 Certificates**") were issued pursuant to a prospectus supplement dated January 29, 2007

(the "**GSAMP 2007-H1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GSAMP 2007-H1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GSAMP 2007-H1 Certificates: Goldman Sachs.

620. The GSAMP 2007-H1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95.67% of mortgages in pool were listed as owner occupied mortgages on page A-3 of the GSAMP 2007-H1 Prospectus Supplement	Only 85.95% of homes were owner occupied
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-2 of the GSAMP 2007-H1 Prospectus Supplement	38.01% of loans had an LTV greater than 100%

621. VRS purchased certificates from the M1 tranche of the GSAMP 2007-H1 Certificates with CUSIP No. 36245YAE4 based upon the false claims set forth above, which were material to VRS's investment decision.

(ffffffff) J.P. Morgan Mortgage Acquisition Trust 2006-CW2

622. The J.P. Morgan Mortgage Acquisition Trust 2006-CW2 Certificates ("**JPMAC 2006-CW2 Certificates**") were issued pursuant to a prospectus supplement dated August 3, 2006 (the "**JPMAC 2006-CW2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the JPMAC 2006-CW2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the JPMAC 2006-CW2 Certificates: JP Morgan.

623. The JPMAC 2006-CW2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	98.47% of mortgages in pool were listed as owner occupied mortgages on page S-45 of the JPMAC 2006-CW2 Prospectus Supplement	Only 94.38% of homes were owner occupied
Loan to Value False Claim	41.77% of mortgages in pool were listed as having an LTV greater than 80% on page S-42 of the JPMAC 2006-CW2 Prospectus Supplement	46.42% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-42 of the JPMAC 2006-CW2 Prospectus Supplement	14.16% of loans had an LTV greater than 100%

624. VRS purchased certificates from the AF5 tranche of the JPMAC 2006-CW2 Certificates with CUSIP No. 46629BAE9 based upon the false claims set forth above, which were material to VRS's investment decision.

(ggggggg) Morgan Stanley ABS Capital I Inc. Trust 2007-HE6

625. The Morgan Stanley ABS Capital I Inc. Trust 2007-HE6 Certificates ("**MSAC 2006-HE6 Certificates**") were issued pursuant to a prospectus supplement dated September 21, 2006 (the "**MSAC 2006-HE6 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the MSAC 2006-HE6 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the MSAC 2006-HE6 Certificates: Morgan Stanley.

626. The MSAC 2006-HE6 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96% of mortgages in pool were listed as owner occupied mortgages on page III-52 of the MSAC 2006-HE6 Prospectus Supplement	Only 87.99% of homes were owner occupied
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page III-44 of the MSAC 2006-HE6 Prospectus Supplement	11.31% of loans had an LTV greater than 100%

627. VRS purchased certificates from the A2C tranche of the MSAC 2006-HE6 Certificates with CUSIP No. 61750FAE0 based upon the false claims set forth above, which were material to VRS's investment decision.

(hhhhhhhh) Bear Stearns Asset Backed Securities I Trust 2007-HE3

628. The Bear Stearns Asset Backed Securities I Trust 2007-HE3 Certificates ("**BSABS 2007-HE3 Certificates**") were issued pursuant to a prospectus supplement dated March 29, 2007 (the "**BSABS 2007-HE3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BSABS 2007-HE3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BSABS 2007-HE3 Certificates: Bear Stearns.

629. The BSABS 2007-HE3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	94.76% of mortgages in pool were listed as owner occupied mortgages on page A-12 of the BSABS 2007-HE3 Prospectus Supplement	Only 90.85% of homes were owner occupied
Loan to Value False Claim	55.62% of mortgages in pool were listed as having an LTV greater than 80% on page A-9 of the BSABS 2007-	62.7% of loans had an LTV greater than 80%

	HE3 Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page A-9 of the BSABS 2007-HE3 Prospectus Supplement	19.02% of loans had an LTV greater than 100%

630. VRS purchased certificates from the 1A1 tranche of the BSABS 2007-HE3 Certificates with CUSIP No. 073852AA3 based upon the false claims set forth above, which were material to VRS's investment decision.

(iiiiiiii) Alternative Loan Trust 2006-OA6

631. The Alternative Loan Trust 2006-OA6 Certificates ("**CWALT 2006-OA6 Certificates**") were issued pursuant to a prospectus supplement dated May 16, 2006 (the "**CWALT 2006-OA6 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWALT 2006-OA6 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWALT 2006-OA6 Certificates: Countrywide.

632. The CWALT 2006-OA6 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	83.07% of mortgages in pool were listed as owner occupied mortgages on page S-55 of the CWALT 2006-OA6 Prospectus Supplement	Only 76.84% of homes were owner occupied
Loan to Value False Claim	5.87% of mortgages in pool were listed as having an LTV greater than 80% on page S-53 of the CWALT 2006-OA6 Prospectus Supplement	50.96% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-53 of the CWALT 2006-OA6 Prospectus Supplement	10.32% of loans had an LTV greater than 100%

633. VRS purchased certificates from the 1A1A tranche of the CWALT 2006-OA6 Certificates with CUSIP No. 12668BD91 based upon the false claims set forth above, which were material to VRS's investment decision.

(jjjjjjj) CHL Mortgage Pass-Through Trust 2006-OA5

634. The CHL Mortgage Pass-Through Trust 2006-OA5 Certificates ("**CWHL 2006-OA5 Certificates**") were issued pursuant to a prospectus supplement dated February 28, 2006 (the "**CWHL 2006-OA5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWHL 2006-OA5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWHL 2006-OA5 Certificates: UBS.

635. The CWHL 2006-OA5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	84.38% of mortgages in pool were listed as owner occupied mortgages on page S-53 of the CWHL 2006-OA5 Prospectus Supplement	Only 81.11% of homes were owner occupied
Loan to Value False Claim	7.29% of mortgages in pool were listed as having an LTV greater than 80% on page S-51 of the CWHL 2006-OA5 Prospectus Supplement	52.9% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-51 of the CWHL 2006-OA5 Prospectus Supplement	10.48% of loans had an LTV greater than 100%

636. VRS purchased certificates from the 2A1 tranche of the CWHL 2006-OA5 Certificates with CUSIP No. 126694M96 based upon the false claims set forth above, which were material to VRS's investment decision.

(kkkkkkkk) RFMSI Series 2007-S6 Trust

637. The RFMSI Series 2007-S6 Trust Certificates ("**RFMSI 2007-S6 Certificates**") were issued pursuant to a prospectus supplement dated June 27, 2007 (the "**RFMSI 2007-S6 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RFMSI 2007-S6 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RFMSI 2007-S6 Certificates: Citigroup.

638. The RFMSI 2007-S6 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	96.88% of mortgages in pool were listed as owner occupied mortgages on page I-4 of the RFMSI 2007-S6 Prospectus Supplement	Only 90.38% of homes were owner occupied
Loan to Value False Claim	7.11% of mortgages in pool were listed as having an LTV greater than 80% on page I-2 of the RFMSI 2007-S6 Prospectus Supplement	52.83% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page I-2 of the RFMSI 2007-S6 Prospectus Supplement	15.26% of loans had an LTV greater than 100%

639. VRS purchased certificates from the 1B1 tranche of the RFMSI 2007-S6 Certificates with CUSIP No. 762009CA4 based upon the false claims set forth above, which were material to VRS's investment decision.

(llllllll) GSR Mortgage Loan Trust 2006-3F

640. The GSR Mortgage Loan Trust 2006-3F Certificates ("**GSR 2006-3F Certificates**") were issued pursuant to a prospectus supplement dated March 28,

2006 (the "**GSR 2006-3F Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GSR 2006-3F Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GSR 2006-3F Certificates: Goldman Sachs.

641. The GSR 2006-3F Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	92.76% of mortgages in pool were listed as owner occupied mortgages on page S-B-6 of the GSR 2006-3F Prospectus Supplement	Only 87.56% of homes were owner occupied
Loan to Value False Claim	0.41% of mortgages in pool were listed as having an LTV greater than 80% on page S-B-2 of the GSR 2006-3F Prospectus Supplement	31.69% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-B-2 of the GSR 2006-3F Prospectus Supplement	10.36% of loans had an LTV greater than 100%

642. VRS purchased certificates from the B2 and B3 tranches of the GSR 2006-3F Certificates with CUSIP No. 362334KY9 and 362334KZ6 based upon the false claims set forth above, which were material to VRS's investment decision.

(mmmmmmmm) GSR Mortgage Loan Trust 2007-AR1

643. The GSR Mortgage Loan Trust 2007-AR1 Certificates ("**GSR 2007-AR1 Certificates**") were issued pursuant to a prospectus supplement dated January 30, 2007 (the "**GSR 2007-AR1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the GSR 2007-AR1 Prospectus

Supplement and played a critical role in the fraudulent structuring, offering, and sale of the GSR 2007-AR1 Certificates: Goldman Sachs.

644. The GSR 2007-AR1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.56% of mortgages in pool were listed as owner occupied mortgages on page S-B-6 of the GSR 2007-AR1 Prospectus Supplement	Only 86.7% of homes were owner occupied
Loan to Value False Claim	2.94% of mortgages in pool were listed as having an LTV greater than 80% on page S-B-4 of the GSR 2007-AR1 Prospectus Supplement	48.78% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-B-4 of the GSR 2007-AR1 Prospectus Supplement	9.61% of loans had an LTV greater than 100%

645. VRS purchased certificates from the B1 tranche of the GSR 2007-AR1 Certificates with CUSIP No. 362290AR9 based upon the false claims set forth above, which were material to VRS's investment decision.

(nnnnnnnn) Citigroup Mortgage Loan Trust 2006-WFHE3

646. The Citigroup Mortgage Loan Trust 2006-WFHE3 Certificates ("**CMLTI 2006-WFHE3 Certificates**") were issued pursuant to a prospectus supplement dated October 4, 2006 (the "**CMLTI 2006-WFHE3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CMLTI 2006-WFHE3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CMLTI 2006-WFHE3 Certificates: Citigroup.

647. The CMLTI 2006-WFHE3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	91.43% of mortgages in pool were listed as owner occupied mortgages on page S-29 of the CMLTI 2006-WFHE3 Prospectus Supplement	Only 84.31% of homes were owner occupied
Loan to Value False Claim	53.3% of mortgages in pool were listed as having an LTV greater than 80% on page S-28 of the CMLTI 2006-WFHE3 Prospectus Supplement	58.73% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-28 of the CMLTI 2006-WFHE3 Prospectus Supplement	19.78% of loans had an LTV greater than 100%

648. VRS purchased certificates from the A3 tranche of the CMLTI 2006-WFHE3 Certificates with CUSIP No. 17309QAC8 based upon the false claims set forth above, which were material to VRS's investment decision.

(ooooooo) Bear Stearns Asset Backed Securities I Trust 2007-HE2

649. The Bear Stearns Asset Backed Securities I Trust 2007-HE2 Certificates ("**BSABS 2007-HE2 Certificates**") were issued pursuant to a prospectus supplement dated February 27, 2007 (the "**BSABS 2007-HE2 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the BSABS 2007-HE2 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the BSABS 2007-HE2 Certificates: Bear Stearns.

650. The BSABS 2007-HE2 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.26% of mortgages in pool were listed as owner occupied mortgages on page 108 of the BSABS 2007-HE2 Prospectus Supplement	Only 90.47% of homes were owner occupied
Loan to Value False Claim	49.13% of mortgages in pool were listed as having an LTV greater than 80% on page 106 of the BSABS 2007-HE2 Prospectus Supplement	55.01% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page 106 of the BSABS 2007-HE2 Prospectus Supplement	14.95% of loans had an LTV greater than 100%

651. VRS purchased certificates from the 1A1 tranche of the BSABS 2007-HE2 Certificates with CUSIP No. 07389YAS0 based upon the false claims set forth above, which were material to VRS's investment decision.

(ppppppp) RAMP Series 2005-EFC5 Trust

652. The RAMP Series 2005-EFC5 Trust Certificates ("**RAMP 2005-EFC5 Certificates**") were issued pursuant to a prospectus supplement dated October 20, 2005 (the "**RAMP 2005-EFC5 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RAMP 2005-EFC5 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RAMP 2005-EFC5 Certificates: Citigroup.

653. The RAMP 2005-EFC5 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occu-	97.32% of mortgages in pool were	Only 87.24% of homes

pancy False Claim	listed as owner occupied mortgages on page S-31 of the RAMP 2005-EFC5 Prospectus Supplement	were owner occupied
Loan to Value False Claim	44.65% of mortgages in pool were listed as having an LTV greater than 80% on page S-29 of the RAMP 2005-EFC5 Prospectus Supplement	80.48% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-29 of the RAMP 2005-EFC5 Prospectus Supplement	22.03% of loans had an LTV greater than 100%

654. VRS purchased certificates from the A2 tranche of the RAMP 2005-EFC5 Certificates with CUSIP No. 76112BH29 based upon the false claims set forth above, which were material to VRS's investment decision.

(qqqqqqqq) Washington Mutual Mortgage Pass-Through Certificates, WMALT Series 2007-OA1

655. The Washington Mutual Mortgage Pass-Through Certificates, WMALT Series 2007-OA1 Certificates ("**WMALT 2007-OA1 Certificates**") were issued pursuant to a prospectus supplement dated January 24, 2007 (the "**WMALT 2007-OA1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WMALT 2007-OA1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WMALT 2007-OA1 Certificates: WaMu.

656. The WMALT 2007-OA1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.55% of mortgages in pool were listed as owner occupied mortgages on page S-143 and S-158 of the WMALT 2007-OA1 Prospectus Sup-	Only 87.7% of homes were owner occupied

	plement	
Loan to Value False Claim	51.2% of mortgages in pool were listed as having an LTV greater than 80% on page S-142 and S-157 of the WMALT 2007-OA1 Prospectus Supplement	55.56% of loans had an LTV greater than 80%
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page S-142 and S-157 of the WMALT 2007-OA1 Prospectus Supplement	8.59% of loans had an LTV greater than 100%

657. VRS purchased certificates from the CA1B tranche of the WMALT 2007-OA1 Certificates with CUSIP No. 93935NAC8 based upon the false claims set forth above, which were material to VRS's investment decision.

(rrrrrrrr) RBSGC Mortgage Loan Trust 2007-B (Group I-2)

658. The RBSGC Mortgage Loan Trust 2007-B Group I-2 Certificates ("**RBSGC 2007-B Certificates**") were issued pursuant to a prospectus supplement dated March 28, 2007 (the "**RBSGC 2007-B Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the RBSGC 2007-B Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the RBSGC 2007-B Certificates: RBS Greenwich.

659. The RBSGC 2007-B Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	71.55% of mortgages in pool were listed as owner occupied mortgages on page B-14 of the RBSGC 2007-B Prospectus Supplement	Only 59.31% of homes were owner occupied
Loan to Value False Claim	3.4% of mortgages in pool were listed as having an LTV greater than 80% on page B-10 of the RBSGC 2007-B	49.73% of loans had an LTV greater than 80%

	Prospectus Supplement	
Loan to Value False Claim	0.00% of mortgages in pool were listed as having an LTV greater than 100% on page B-10 of the RBSGC 2007-B Prospectus Supplement	12.71% of loans had an LTV greater than 100%

660. VRS purchased certificates from the 1A4 tranche of the RBSGC 2007-B Certificates with CUSIP No. 74927XAD4 based upon the false claims set forth above, which were material to VRS's investment decision.

(ssssssss) WaMu Mortgage Pass-Through Certificates, Series 2007-HY3 (Group IV)

661. The WaMu Mortgage Pass-Through Certificates, Series 2007-HY3 Group IV Certificates ("**WAMU 2007-HY3 Certificates**") were issued pursuant to a prospectus supplement dated February 23, 2007 (the "**WAMU 2007-HY3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2007-HY3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the WAMU 2007-HY3 Certificates: WaMu.

662. The WAMU 2007-HY3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.32% of mortgages in pool were listed as owner occupied mortgages on page S-107 of the WAMU 2007-HY3 Prospectus Supplement	Only 88.72% of homes were owner occupied
Loan to Value False Claim	14.3% of mortgages in pool were listed as having an LTV greater than 80% on page S-109 of the WAMU 2007-HY3 Prospectus Supplement	35.55% of loans had an LTV greater than 80%

663. VRS purchased certificates from the A2C tranche of the WAMU 2007-HY3 Certificates with CUSIP No. 933634AU1 based upon the false claims set forth above, which were material to VRS's investment decision.

(tttttttt) Securitized Asset Backed Receivables LLC Trust 2006-HE1 (Aggregate Pool)

664. The Securitized Asset Backed Receivables LLC Trust 2006-HE1 Mezzanine Certificates ("**SABR 2006-HE1 Certificates**") were issued pursuant to a prospectus supplement dated August 24, 2006 (the "**SABR 2006-HE1 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the SABR 2006-HE1 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the SABR 2006-HE1 Certificates: Barclays.

665. The SABR 2006-HE1 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	95% of mortgages in pool were listed as owner occupied mortgages on page 152 of the SABR 2006-HE1 Prospectus Supplement	Only 88.65% of homes were owner occupied
Loan to Value False Claim	33.84% of mortgages in pool were listed as having an LTV greater than 80% on page 147 of the SABR 2006-HE1 Prospectus Supplement	52.13% of loans had an LTV greater than 80%
Loan to Value False Claim	0% of mortgages in pool were listed as having an LTV greater than 100% on page 147 of the SABR 2006-HE1 Prospectus Supplement	18.48% of loans had an LTV greater than 100%

666. VRS purchased certificates from the M1 tranche of the SABR 2006-HE1 Certificates with CUSIP No. 81376YAF8 based upon the false claims set forth above, which were material to VRS's investment decision.

(uuuuuuuu) Fieldstone Mortgage Investment Trust, Series 2006-3 (Group II)

667. The Fieldstone Mortgage Investment Trust, Series 2006-3 Group II Certificates ("**FMIC 2006-3 Certificates**") were issued pursuant to a prospectus supplement dated October 24, 2006 (the "**FMIC 2006-3 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FMIC 2006-3 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FMIC 2006-3 Certificates: Merrill Lynch.

668. The FMIC 2006-3 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	99.1% of mortgages in pool were listed as owner occupied mortgages on page II-27 of the FMIC 2006-3 Prospectus Supplement	Only 90.51% of homes were owner occupied
Loan to Value False Claim	76.47% of mortgages in pool were listed as having an LTV greater than 80% on page II-26 of the FMIC 2006-3 Prospectus Supplement	88.62% of loans had an LTV greater than 80%
Loan to Value False Claim	0% of mortgages in pool were listed as having an LTV greater than 100% on page II-26 of the FMIC 2006-3 Prospectus Supplement	17.65% of loans had an LTV greater than 100%

669. VRS purchased certificates from the 2A3 tranche of the FMIC 2006-3 Certificates with CUSIP No. 316599AD1 based upon the false claims set forth above, which were material to VRS's investment decision.

(vvvvvvvv) Fremont Home Loan Trust 2006-A (Aggregate Pool)

670. The Fremont Home Loan Trust 2006-A Certificates ("**FHLT 2006-A Certificates**") were issued pursuant to a prospectus supplement dated May 3, 2006 (the "**FHLT 2006-A Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the FHLT 2006-A Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the FHLT 2006-A Certificates: RBS Greenwich.

671. The FHLT 2006-A Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	93.11% of mortgages in pool were listed as owner occupied mortgages on page 37 of the FHLT 2006-A Prospectus Supplement	Only 89.37% of homes were owner occupied
Loan to Value False Claim	32.11% of mortgages in pool were listed as having an LTV greater than 80% on page 38 of the FHLT 2006-A Prospectus Supplement	48.49% of loans had an LTV greater than 80%
Loan to Value False Claim	0% of mortgages in pool were listed as having an LTV greater than 100% on page 38 of the FHLT 2006-A Prospectus Supplement	15.2% of loans had an LTV greater than 100%

672. VRS purchased certificates from the M2 tranche of the FHLT 2006-A Certificates with CUSIP No. 35729RAH9 based upon the false claims set forth above, which were material to VRS's investment decision.

(wwwwwwww) CHL Mortgage Pass-Through Trust 2005-9 (Group II)

673. The CHL Mortgage Pass-Through Trust 2005-9 Group II Certificates ("**CWHL 2005-9 Certificates**") were issued pursuant to a prospectus supplement

dated March 28, 2005 (the "**CWHL 2005-9 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the CWHL 2005-9 Prospectus Supplement and played a critical role in the fraudulent structuring, offering, and sale of the CWHL 2005-9 Certificates: UBS.

674. The CWHL 2005-9 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	92.35% of mortgages in pool were listed as owner occupied mortgages on page S-45 of the CWHL 2005-9 Prospectus Supplement	Only 85.14% of homes were owner occupied
Loan to Value False Claim	5.27% of mortgages in pool were listed as having an LTV greater than 80% on page S-42 of the CWHL 2005-9 Prospectus Supplement	41% of loans had an LTV greater than 80%
Loan to Value False Claim	0% of mortgages in pool were listed as having an LTV greater than 100% on page S-42 of the CWHL 2005-9 Prospectus Supplement	5.79% of loans had an LTV greater than 100%

675. VRS purchased certificates from the 2A1 tranche of the CWHL 2005-9 Certificates with CUSIP No. 12669GZB0 based upon the false claims set forth above, which were material to VRS's investment decision.

(xxxxxxxx) WaMu Mortgage Pass-Through Certificates, Series 2006-AR18 (Group I)

676. The WaMu Mortgage Pass-Through Certificates, Series 2006-AR18 Group I Certificates ("**WAMU 2006-AR18 Certificates**") were issued pursuant to a prospectus supplement dated December 18, 2006 (the "**WAMU 2006-AR18 Prospectus Supplement**"). The following underwriter is responsible for the false claims made in the WAMU 2006-AR18 Prospectus Supplement and played a critical

role in the fraudulent structuring, offering, and sale of the WAMU 2006-AR18 Certificates: WaMu.

677. The WAMU 2006-AR18 Prospectus Supplement includes the following material false claims:

Type	False Claim	Reality
Owner Occupancy False Claim	90.69% of mortgages in pool were listed as owner occupied mortgages on page S-88 of the WAMU 2006-AR18 Prospectus Supplement	Only 86.84% of homes were owner occupied
Loan to Value False Claim	23.64% of mortgages in pool were listed as having an LTV greater than 80% on page S-90 of the WAMU 2006-AR18 Prospectus Supplement	41.35% of loans had an LTV greater than 80%
Loan to Value False Claim	0% of mortgages in pool were listed as having an LTV greater than 100% on page S-90 of the WAMU 2006-AR18 Prospectus Supplement	12.99% of loans had an LTV greater than 100%

678. VRS purchased certificates from the 1A1 tranche of the WAMU 2006-AR18 Certificates with CUSIP No. 933637AA8 based upon the false claims set forth above, which were material to VRS's investment decision.

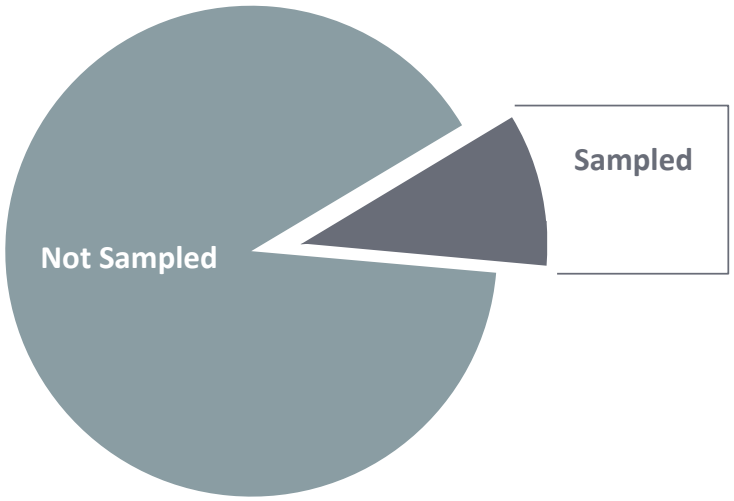
E. Defendants' Knowledge of the Falsity of Their Claims

679. A systematic failure affected the origination and underwriting of the mortgages underlying the RMBS at issue in this matter, and the Defendants knew of that failure. In an effort to line their pockets at the expense of innocent investors, including VRS, Defendants securitized the mortgages and knowingly misrepresented the quality of the underlying loans in the Offering Documents for the RMBS.

680. Specifically, prior to buying bundled mortgages and issuing the RMBS, Defendants hired due diligence providers, including Clayton Holdings, Inc., the

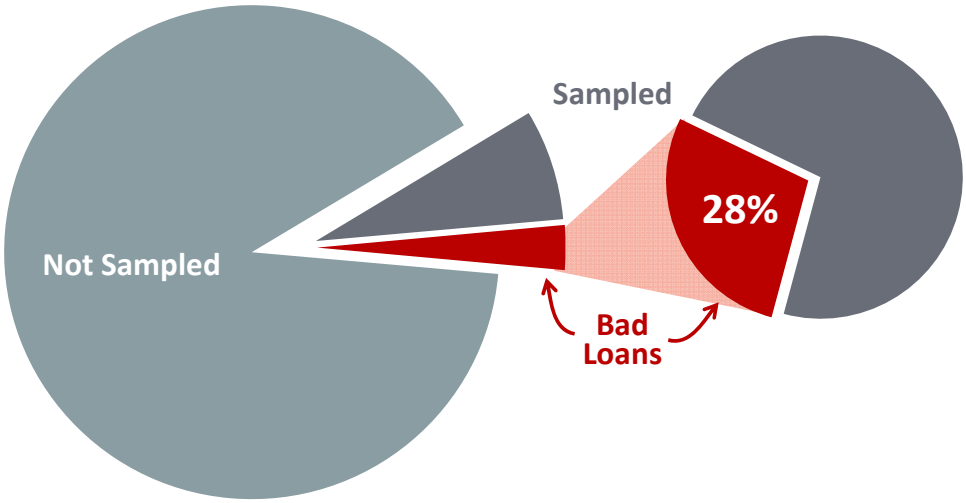
Bohan Group, Fidelity Information Services, Inc., 406 Partners, Allonhill, American Mortgage Consultants, Opus Capital Markets Consultants, and RR Donnelly (collectively, the "**Due Diligence Firms**"), to analyze and test samples of the loans that were pooled to create the RMBS.

681. The Due Diligence Firms examined loan pool samples to verify whether information such as stated second liens, owner occupancy, loan to value ratios, debt-to-income ratios, and borrower income and FICO scores were accurate. The Due Diligence Firms provided their findings from detailed loan-level examinations to Defendants prior to the marketing and sale of the RMBS. Clayton Holdings ("**Clayton**"), the dominant provider with approximately 70% of the market, testified to the Financial Crisis Inquiry Commission that the sample sizes ranged from 2% to 30%, but were much more frequently on the smaller end of that range.

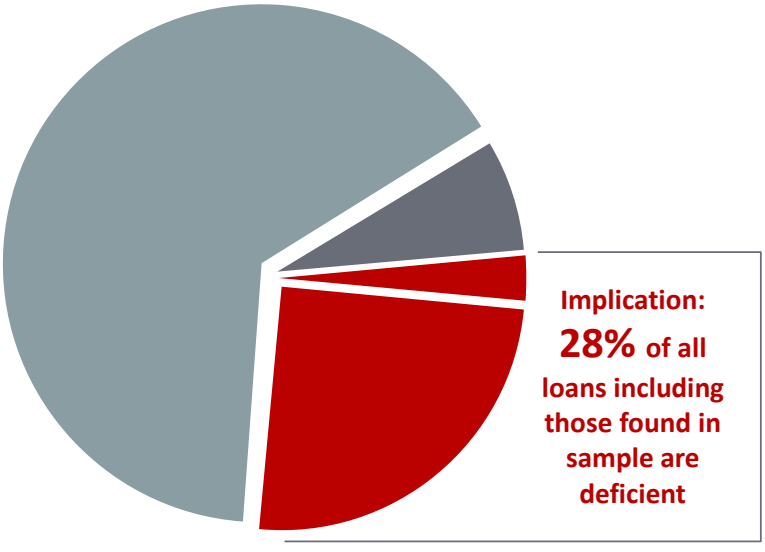


682. After a detailed, loan-level analysis, the Due Diligence Firms found that a significant portion of the sampled loans were inaccurately represented, failed to meet the relevant underwriting standards, and did not have sufficient compen-

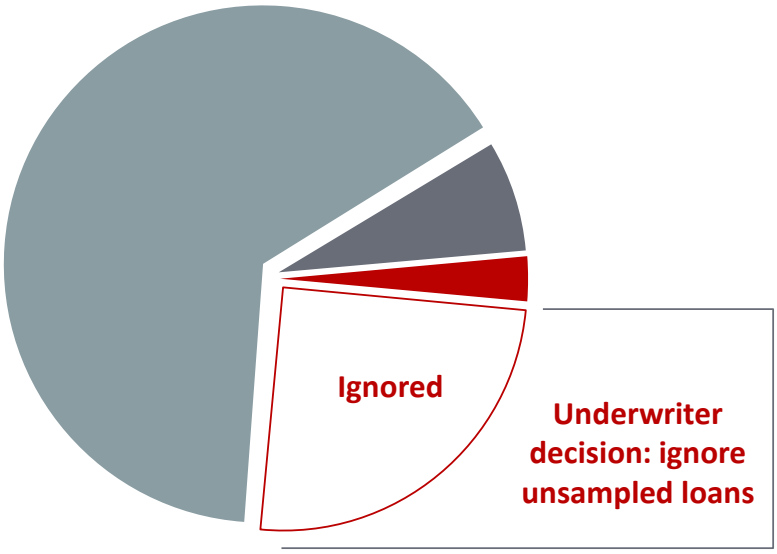
sating factors to justify the loan as an exception to those standards. The Due Diligence Firms provided their findings to Defendants prior to the marketing and sale of the RMBS. Clayton testified that, for the 18 months that ended June 30, 2007, it found that 28% of the loans it sampled failed to meet standards.



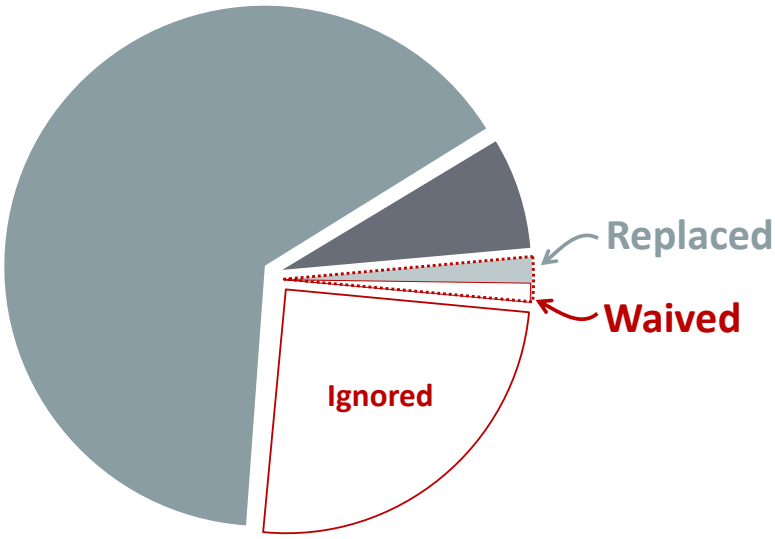
683. The reasonable implication of such sampling, of course, is that 28% of the pool's total mortgages were bad loans and needed replacement, or at minimum, required closer investigation.



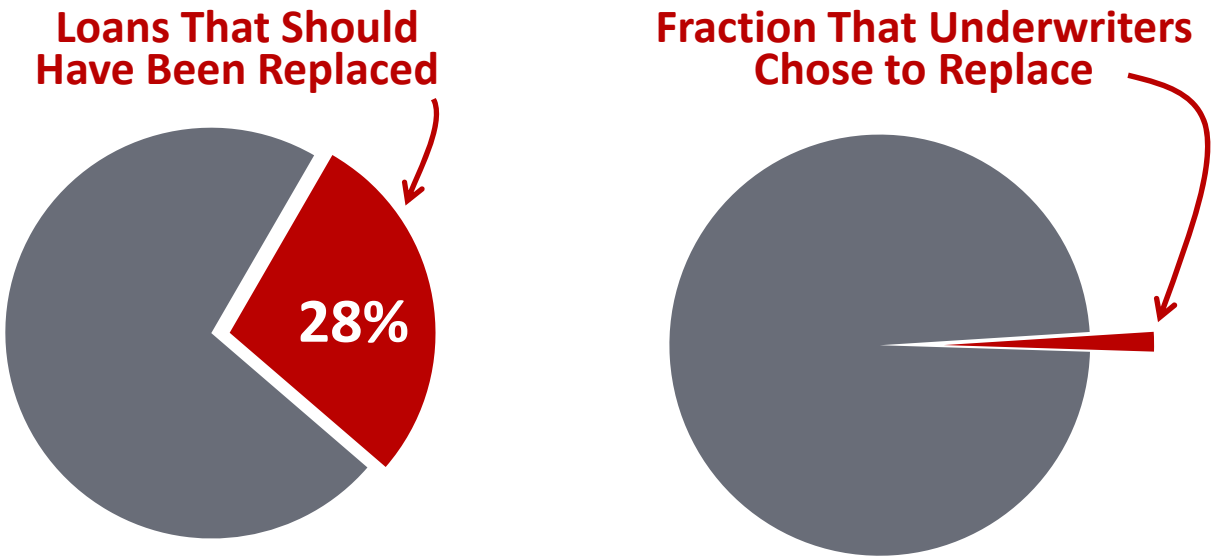
684. But Defendants chose to ignore the obvious implication, focusing only on the specific loans *within* the sample that the due diligence providers flagged.



685. Indeed, even this fraction of a fraction constituted too many loans for the underwriters to replace, so they "waived" 39% of the deficient loans back into the offerings.



686. Instead of replacing the 28% of the loans as the Clayton samples suggested, then, the banks replaced only the non-waived portion of the deficient portion of the sampled loans – a fraction of a fraction of a fraction.



687. In light of these findings, Defendants could have taken efforts to locate and remove all problem loans from each RMBS mortgage pool or revised their Offering Documents to provide true and accurate disclosures regarding the type and percentage of defective loans in the loan pools.

688. Instead, Defendants refused to replace many of the problem loans identified through the sampling of the Due Diligence Firms, deliberately chose to avoid reviewing the non-sampled loans, and decided to use false second lien, owner occupancy, and loan to value representations in the Offering Documents. Defendants provided the Offering Documents containing false representations to investors. Defendants also gave false information to the Credit Rating Agencies to obtain inflated ratings of their RMBS, which they then used, in addition to the misrepresen-

tations in the Offering Documents, to induce investors into purchasing the securities.

689. One former underwriter for the Bohan Group ("**Bohan**") who reviewed loans for Defendant JP Morgan has stated that 50% of the loans she reviewed were defective. She also stated that the Wall Street banks, including Defendants, knew they were purchasing defective loans because they received daily reports summarizing the due diligence findings.

690. The non-sampled portion of the loan pools contained a proportionate number of defective loans as those sampled by the Due Diligence Firms. To ensure that the Offering Documents did not falsely describe the types and percentages of defective loans in the pool, Defendants should have requested a full review of the non-sampled loans so that all defective loans could be identified and removed. Instead, Defendants were deliberately indifferent to the fact that a significant portion of the loans that they bundled into the RMBS failed to meet the specific standards set forth in their Offering Documents.

691. The information provided to Defendants by their own Due Diligence Firms revealed the true nature of the risk associated with the RMBS, including the true nature of the simultaneous second lien, owner occupancy, and loan to value ratio status of the underlying loans. Defendants, however, knowingly chose to misrepresent these material risk indicators to VRS and others in their Offering Documents.

692. Defendants utilized the reports from the Due Diligence Firms that loans in the pools did not comply with underwriting guidelines, but only to advance their own diabolical purposes. Defendants leveraged that knowledge in negotiations to compel loan originators to accept lower prices for the loan pools, thereby allowing Defendants to reap even greater profits upon resale of the defective loan pools to unsuspecting investors, including VRS.

1. JP Morgan

693. JP Morgan knowingly misrepresented the quality of loans in its RMBS to induce large investors, like VRS and other pension funds, to purchase the securities. JP Morgan knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information about the securities to investors, including pension funds like VRS, and to induce them to purchase the securities. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely only on the information provided in this prospectus supplement or the accompanying prospectus or incorporated by reference herein. We have not authorized anyone else to provide you with different information." Nevertheless, JP Morgan chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of investors like VRS.

694. JP Morgan securitized RMBS from pools of loans purchased from originators that included the fraud-plagued Countrywide Home Loans, Inc. and WMC Mortgage Corporation.

695. As was common in the industry, JP Morgan hired Due Diligence Firms, including Clayton and Bohan, to conduct a due diligence process on a sample of the underlying mortgages in the loan pools JP Morgan was seeking to purchase and then securitize.

696. At the completion of their diligence process, the Due Diligence Firms provided JP Morgan with a grade for the loans that they reviewed. The grades ranged from Event 1 to Event 3. An Event 1 grade meant that the loan complied with underwriting guidelines. An Event 2 grade meant that the loans did not comply with underwriting guidelines but had sufficient compensating factors to justify the extension of credit. An Event 3 grade meant that the loan did not comply with underwriting guidelines and was without sufficient compensating factors to justify the loan.

697. From the first quarter of 2006 to the second quarter of 2007, the Due Diligence Firms graded samples of the loan pools JP Morgan acquired for securitization and provided JP Morgan with the grades. In that time period, of the 23,668 loans the Due Diligence Firms reviewed for JP Morgan, 6,238 of them, or 27%, were initially graded Event 3 loans, meaning the Due Diligence Firms found the loans did not meet the originators' underwriting guidelines and did not have sufficient compensating factors to justify their inclusion.

698. In many of these instances, the loans were missing documentation such as appraisals, or proof of income, assets, or employment. The Due Diligence Firms also identified loans that had high loan-to-value ratios (sometimes over

100%); high debt-to-income ratios; stated incomes that the Due Diligence Firms concluded were unreasonable; and appraisals that varied from the estimates obtained in the diligence process.

699. JP Morgan did not remove the Event 3 loans from the pool. Instead, JP Morgan determined whether they could be "waived" into the pool for securitization. This review was sometimes done on a case-by-case basis, but on other occasions JP Morgan made "bulk" waivers, allowing all loans in the pool with a type of exception JP Morgan deemed acceptable to be securitized without performing any kind of analysis of the specific loans. Of the 6,238 loans the Due Diligence Firms initially graded Event 3 (representing 27% of the sampled loans), JP Morgan ultimately accepted or "waived in" 3,238 of them — over half of the Event 3 loans.

700. Further, JP Morgan was fully aware that the Due Diligence Firms reviewed only a small sample of a given pool of loans, identifying only the Event 3 loans in that sample, not the entirety of the Event 3 loans in the pool. Despite that, JP Morgan did not make any effort to identify the Event 3 loans in the much larger non-sampled portion of the pools, remaining willfully ignorant of the extent to which the loan pools contained loans that qualified as Event 3. Instead, JP Morgan recklessly misrepresented the quality of the loan pools in its Offering Documents, all the while having actual knowledge that the portion of the loans that had been examined did not comport with the representations made to investors.

701. JP Morgan salespersons then marketed the company's due diligence process to investors. In marketing materials, JP Morgan represented that the origi-

nators had a "solid underwriting platform," and that before purchasing a pool, a "thorough due diligence is undertaken to ensure compliance with [underwriting] guidelines." JP Morgan touted the fact that its due diligence was undertaken by industry leaders, like Clayton and Bohan, even as it ignored the findings of those Due Diligence Firms.

702. Moreover, JP Morgan not only hired Due Diligence Firms to review the loan pools, it also hired third-party valuation firms to test the initial appraisals of the mortgaged properties. JP Morgan had a tolerance of 15% in the review, meaning as long as the original appraisal was not more than 15% higher than the third-party appraisal, JP Morgan would accept the loan.

703. For example, if the first appraisal was $100,000, JP Morgan would accept the loan as long as the second appraisal did not come in below $85,000. This meant that JP Morgan accepted loans with loan-to-value ratios that were higher than reported, including loans with up to 100% loan-to-value, because if the value of the property were actually less than reported, the loan-to-value ratio went up. If a borrower had a loan of $80,000 on a property that was initially appraised at $100,000, the reported loan-to-value ratio would be 80%, but if the value of the property was discovered to be $85,000 in the review, then the loan-to-value ratio would actually be 94%. JP Morgan touted in marketing materials that it did a review of the loans' appraised values before securitization. JP Morgan did not, however, disclose its 15% tolerance practice that allowed for loans with significantly high-

er loan-to-value ratios than those reported to be included in the securitizations, including those purchased by VRS.

704. JP Morgan also ignored the concerns of its own due diligence employees in securitizing risky loans. In one instance, employees and two JP Morgan managers identified a set of loan pools that contained numerous stated-income loans where the borrowers had overstated their income. Those employees and managers recommended that JP Morgan review these pools in their entirety and remove misrepresented income loans from the pools.

705. One employee even told a JP Morgan Executive Director in charge of due diligence and a Managing Director that due to the poor quality of the loans, the pools should not be purchased and securitized. JP Morgan met with the originator of the pools and agreed to make the purchase, despite the concerns of its employees and managers, and without reviewing the unsampled loans from those pools.

706. JP Morgan, in turn, waived in many of the stated-income loans and securitized the pools. After the purchase of the loan pools, the employee that recommended the loans not be purchased sent a letter to another Managing Director, which was distributed internally at JP Morgan, detailing her concerns with the purchase and securitization of the pool. These concerns were not, however, disclosed to investors, including VRS.

707. Compounding JP Morgan's behavior, the company had previously made affirmative representations that in no case would a loan be included in a pool it securitized "if anything has come to [JP Morgan's] attention that would cause it to

believe that the representations and warranties of a seller or originator will not be accurate and complete in all material respects in respect of the loan as of the date of initial issuance of the related series of securities." JP Morgan's statements to that effect were proven demonstrably false by JP Morgan's decision to ignore the concerns raised by its employees and managers.

708. On some occasions, JP Morgan employees even refused to provide loan data information for its RMBS upon explicit requests from prospective investors. Those prospective investors sought specific data on the underlying loan pools, including information on due diligence results and loan characteristics, such as combined loan-to-value ratios, but were instead turned away by JP Morgan.

709. In other instances, JP Morgan employees represented that a percentage of the defective loans identified in its own due diligence process was representative of the entire pool acquired, instead of merely a percentage of the diligence sample.

710. JP Morgan not only provided bad data to investors in the Offering Documents, it also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But JP Morgan did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

711. JP Morgan was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. VRS would not have acquired or held JP Morgan RMBS if JP Morgan had accurately represented those securities to the Credit Rating Agencies and in the Offer-

ing Documents. JP Morgan knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated. In this way, JP Morgan was able to shed the risk of poorly underwritten mortgages onto investors like VRS.

712. JP Morgan made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors like VRS was so obvious, particularly since JP Morgan told those investors to rely on the misrepresentations in the Offering Documents *and nothing else*, that JP Morgan knew or must have been aware of the danger.

713. JP Morgan essentially admitted the wrongful nature of its conduct in underwriting and selling RMBS to investors like VRS when it agreed on November 19, 2013, to a $13 billion settlement in a separate action led by the U.S. Department of Justice. The "Statement of Facts" incorporated into that settlement acknowledges much of the fraudulent conduct that gave rise to the damages that VRS seeks in this case.

2. Bear Stearns

714. Bear Stearns knowingly misrepresented the quality of its RMBS to induce large investors, like VRS, into purchasing the securities. Bear Stearns knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information about the securities to investors, particular-

ly pension funds like VRS, and to induce them to purchase the securities. The Offering Documents explicitly induced reliance from potential investors by stating that readers "should rely only on the information contained" therein. Nevertheless, Bear Stearns chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of investors like VRS.

715. Bear Stearns was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors, but also because Bear Stearns provided warehouse lines of credit to originators that needed to be repaid.

716. Bear Stearns securitized and sold billions of dollars of Alt-A mortgages to investors in 2006 and 2007. Bear Stearns used a system called "flow-conduit" to acquire a large portion of those loans from other originators. Bear Stearns would then bundle them into RMBS and sell them to investors.

717. During 2006 and 2007, Bear Stearns had a program in place to monitor the sellers it purchased the mortgages from in the flow-conduit system. The program monitored the sellers' financial wellbeing, tracked the performance of the loans the sellers originated, and reviewed a sample of the acquired loans to ensure they met underwriting and origination standards. A grade was assigned to each seller as a result of this monitoring process. A grade of "F" was given if a seller's financial condition, credit profile, loan performance, and claims history warranted significant scrutiny and potentially a discontinuation of the business relationship.

718. Despite giving some flow-conduit sellers an "F" and/or terminating or suspending the relationship with the seller, Bear Stearns knowingly included loans purchased from those sellers in the RMBS it securitized. Bear Stearns did not disclose that it included loans from poorly-graded sellers in its RMBS to investors.

719. The former head of due diligence at Bear Stearns acknowledged that prior to 2007, stated income loans were not scrutinized and that, even in 2007, he was not aware of any process in place to verify employment for stated income loans, either at Bearn Stearns or its Due Diligence Firms.

720. Further, Bear Stearns also made bulk purchases of loans from large originators. As part of its due diligence process, Bear Stearns chose a sample of the bulk purchase to be reviewed by Due Diligence Firms. For example, Clayton reviewed samples of Bear Stearns loan pools from Q1 2006 through Q2 2007, and found that approximately 16% of the loans tested did not comply with underwriting guidelines and did not have compensating factors that justified approval and/or had defective appraisals. In response, Bear Stearns overrode Clayton's conclusion on close to 50% of the deficient loans, and up to 65% of such loans in Q3 2006 alone. Bear Stearns then securitized the waived-in loans into RMBS, which were sold to investors like VRS. As a result, Bear Stearns knew that the RMBS they sold to investors contained mortgages that did not meet underwriting standards. Bear Stearns also chose to remain willfully ignorant of the quality of the unsampled portion of loans, purchasing and securitizing them with no further due diligence.

721. Furthermore, according to depositions of John Mongelluzzo and Mary Haggerty, Bear Stearns adopted an internal policy directing its due diligence managers to delete communications with the Due Diligence Firms leading to the final loan purchase decisions, thereby eliminating the audit trail that would have shown Bear Stearns intentionally rejecting conclusions from the Due Diligence Firms that certain loans should not be purchased for securitization. This left only the final report in the deal file.

722. Bear Stearns' co-head of mortgage finance, Mary Haggerty, acknowledged in a deposition that the final report did not show how many loans the due diligence vendor had initially identified as materially defective, nor did it show how many loans were included in the pool as a result of Bear Stearns' decision to overrule the due diligence vendor's determination that a loan was fatally defective.

723. This systematic purging of the audit trail cannot be explained other than as the active destruction of evidence of Bear Stearns' fraudulent loan origination and securitization policies in anticipation of massive defaults and enormous losses to anyone holding onto the securities backed up by those loans.

724. Not only did Bear Stearns override conclusions from the Due Diligence Firms it hired and purge evidence showing it knew of these conclusions, it decided to cut costs by reducing the due diligence applied to subprime loans. In 2005, due diligence manager John Mongelluzzo passed along a directive from Mary Haggerty to reduce due diligence performed on subprime loans "in order to make us more competitive on bids with larger sub-prime sellers."

725. According to a due diligence underwriter at Clayton and Bohan from June 2005 through January 2008, Bear Stearns also pressured Clayton and Bohan to be more lenient with their credit and compliance due diligence so as to ensure that more loans would be approved. For example, EMC Mortgage LLC, a then-subsidiary of Bear Stearns that purchased loans and served as the sponsor for many of Bear Stearns' RMBS, instructed Bear Stearns' due diligence vendor not to review appraisals, not to verify occupancy status of the residence and employment, and not to identify misrepresentations regarding the occupancy of the property to Bear Stearns, stating: "Effective immediately, in addition to not ordering occupancy inspections and review appraisals, DO NOT PERFORM REVERIFICATIONS OR RETRIVE (sic) CREDIT REPORTS ON THE SECURITIZATION BREACH AUDITS;" do not "make phone calls on employment;" and "occupancy misrep is not a securitization breach."

726. Bear Stearns fully recognized that it was increasing the number of loans it purchased while simultaneously reducing and manipulating the due diligence performed on those loans. Accordingly, Bear Stearns implemented a policy that would reduce its own risk in holding onto these loans. Previously, Bear Stearns had a policy that required it to hold onto loans for thirty to ninety days, a period referred to as the "early payment default" or "EPD" period. The EPD period existed because, as Bear Stearns' Managing Director Baron Silverstein acknowledged in a deposition taken in 2010, loans that miss a payment shortly after the loan origination raise "red flags" that the loans never should have been issued in the first in-

stance. As early as 2005, Bear Stearns changed this policy to permit the securitization of loans prior to the conclusion of the EPD period. This policy change enhanced Bear Stearns' earnings by increasing the volume of loans it sold into securitization while passing along the corresponding risk to unsuspecting investors, including VRS.

727. Bear Stearns not only provided bad data to investors in the Offering Documents, it also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But Bear Stearns did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

728. Bear Stearns was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. VRS would not have acquired or held Bear Stearns RMBS if Bear Stearns had accurately represented those securities to the Credit Rating Agencies and in the Offering Documents. Bear Stearns knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than the rating indicated.

729. Bear Stearns made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors, like VRS, was so obvious, particularly since Bear Stearns told

investors, like VRS, to rely on the misrepresentations in the Offering Documents and *nothing else*, that Bear Stearns knew it or must have been aware of the danger.

3. Citigroup

730. Citigroup knowingly misrepresented the quality of loans in its RMBS to induce large investors, including VRS, into purchasing the securities. Citigroup knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information about the securities to investors, particularly pension funds like VRS, and to induce them to purchase the securities. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely only on the information contained in this document. We have not authorized anyone to provide you with different information." Nevertheless, Citigroup chose to provide false information in the Offering Documents to maximize its own profits at the expense of investors like VRS.

731. Citigroup, like the other Defendants, performed due diligence on loans prior to securitization. The due diligence came in two forms: internal at Citigroup and external through Due Diligence Firms. Citigroup conducted both its internal and external due diligence by having only a small sample of a loan pool reviewed. No one ever reviewed the entire loan pool, either internally or externally, to ensure it complied with the representations made to potential investors.

732. But, even this limited due diligence process revealed that significant percentages of the loans reviewed did not conform to the representations provided to investors about the pools of loans to be securitized.

733. As part of their analysis, the Due Diligence Firms assigned grades to loans taken from the samples: "EV1" meant that the loan was underwritten in accordance with applicable laws and guidelines; "EV2" meant that the loan did not comply with applicable underwriting guidelines but had sufficient compensating factors to justify the extension of credit; "EV3" meant the loan was not originated in compliance with applicable laws and regulations, did not comply with applicable underwriting guidelines, and lacked sufficient offsetting compensating factors, or the loan file was missing a key piece of documentation.

734. Citigroup's Due Diligence Firms assigned the bottom EV3 grade to a significant percentage of the loans they reviewed. Rather than exclude those loans from securitization, Citigroup's internal diligence personnel instead directed the Due Diligence Firms to change the grades of many of those loans to a conforming level, either EV1 or EV2. Citigroup then went forward and securitized the loans into RMBS that investors, like VRS, purchased. But, Citigroup did not give investors any indication that any of the underlying loans failed its due diligence process and were "waived" in nonetheless.

735. Citigroup also hired third-party valuation firms to test the initial appraisals of the mortgaged properties. Citigroup had a tolerance level of 15% in the review, meaning that as long as the original appraisal was not more than 15% higher than the third-party appraisal, Citigroup would accept the loan.

736. For example, if the first appraisal was $100,000, Citigroup would accept the loan as long as the second appraisal did not come in below $85,000. This

meant that Citigroup accepted loans with loan-to-value ratios that were higher than reported, including loans with up to 100% loan-to-value, because if the value of the property was actually less than reported, the loan-to-value ratio went up. If a borrower had a loan of $80,000 on a property that was initially appraised at $100,000, the reported loan-to-value ratio would be 80%, but if the value of the property were discovered to be $85,000 in the review, then the loan-to-value would actually be 94%. Citigroup did not disclose its 15% tolerance practice that allowed for loans with significantly higher loan-to-value ratios than those reported to be included in the securitizations, including those purchased by VRS.

737. Further, Citigroup learned from the valuation review that some of the mortgages in the loan pools exceeded even Citigroup's generous valuation tolerance of 15%. These loans had an even more dramatic shift in their loan-to-value ratios than the loans that had inflated appraisals but fell within the 15% tolerance limit. Again, Citigroup did not use this information to substitute in loans that conformed with the representations made in its Offering Documents or adjust its representations to reflect accurate loan-to-value ratios. Instead, Citigroup securitized the non-compliant loans and sold the resulting RMBS – using the confirmed inaccurate original loan-to-value ratios in its Offering Documents – to unsuspecting investors like VRS.

738. Further, according to the Financial Industry Regulatory Authority ("**FINRA**"), Citigroup "provid[ed] inaccurate mortgage performance information," had "supervisory failures," and committed "other violations in connection with sub-

prime residential mortgage-backed securitizations." In its investigation, FINRA discovered that from January 2006 to October 2007, Citigroup posted inaccurate mortgage performance data on its website and kept the inaccurate data on the website until May 2012.

739. FINRA found that Citigroup lacked a reasonable basis to believe the data was accurate but posted it and kept it up anyway. In fact, on multiple occasions Citigroup was informed that the data was inaccurate and chose not to correct it. FINRA's Executive Vice President and Chief of Enforcement Brad Bennett stated that, "Citigroup posted data for its RMBS deals that it should have known was inaccurate; and even after they learned that the data was inaccurate, Citigroup did not correct the problem until years later." Bennett continued, "[i]nvestors use this data to inform their decisions and in this case, for over six years, investors potentially used faulty data to assess the value of the RMBS." FINRA fined Citigroup $3.5 million for its dishonest conduct in misrepresenting the data for its RMBS.

740. Citigroup was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors, but also because Citigroup provided warehouse lines of credit to originators that needed to be repaid. As cited by the FCIC, from 2000 to 2010, Citigroup made available at any one time as much as $7 billion in warehouse lines of credit to mortgage originators, including $950 million to New Century and more than $3.5 billion to Ameriquest, entities later implicated as two of the worst mortgage originators who contributed to the financial meltdown.

741. These warehouse lines provided Citigroup with a guaranteed stream of loans it could then purchase and securitize but also opened Citigroup to risk if the originators were unable to sell the loans. Therefore, it was critical for Citigroup that the loans were purchased so that the credit it extended to the originators was paid off.

742. This relationship further incentivized Citigroup to purchase defective loans to get the warehouse lines paid off and then pass those risky loans on to investors in RMBS. As a warehouse lender, Citigroup had a detailed knowledge of the originators' operations, including their underwriting standards and practices. Former Citigroup CEO Chuck Prince later told the FCIC that he thought that Citigroup "getting that close to the origination function – being that involved in the origination of some of these products – is something that I wasn't comfortable with." But Citigroup was willing to ignore blatant underwriting failures to ensure its lines of credit to the originators were paid off and to maintain a guaranteed stream of loans to securitize.

743. Citigroup not only provided bad data to investors in the Offering Documents, it also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But Citigroup did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

744. Citigroup was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. VRS would not have acquired or held Citigroup RMBS if Citigroup had accu-

rately represented those securities to the Credit Rating Agencies and in the Offering Documents. Citigroup knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated. In this way, Citigroup was able to shed the risk of poorly underwritten mortgages onto investors like VRS.

745. Citigroup made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors, like VRS, was so obvious, particularly since Citigroup told investors, like VRS, to rely on the misrepresentations in the Offering Documents and *nothing else*, that Citigroup knew it or must have been aware of the danger.

746. Citigroup essentially admitted the wrongful nature of its conduct in underwriting and selling RMBS when it agreed on July 11, 2014, to a $7 billion settlement in a separate action led by the U.S. Department of Justice. The "Statement of Facts" incorporated into that settlement acknowledges much of the fraudulent conduct that gave rise to the damages that VRS seek in this case.

4. Countrywide

747. In an effort to increase market share, from at least late 2004 to 2007, Countrywide aggressively expanded its underwriting guidelines to unprecedented levels and systematically disregarded virtually all risk-limiting restrictions, regularly granting exceptions when a borrower fell outside of the already extremely broad underwriting guidelines.

748. In a memo sent in October 2004, CFC's then Chief Credit Officer wrote: "my impression since arriving here is that the Company's standard for products and Guidelines has been: 'If we can price it, then we will offer it.'"

749. This same executive wrote in an internal memo on May 13, 2007, "A core principal [*sic*] underlying product guidelines is salability. The only exception to this principle is specific 'Bank only' programs where loans are originated or purchased for the Bank portfolio."

750. To shed the risk of holding excessively risky loans in its own portfolio, Countrywide securitized the loans into RMBS and sold the RMBS to unsuspecting investors, including VRS. As a Countrywide executive wrote to another Countrywide executive in a June 7, 2007 email, "[W]hen credit was easily salable, [the structured loan desk] was a way to take advantage of the 'salability' and do loans outside guidelines and not let our views of risk get in the way."

751. In the process, Countrywide knowingly misrepresented the risk of the underlying mortgages, the underwriting process used to originate those loans, and the due diligence performed in the underwriting process.

752. Countrywide used what was internally labeled the "matching strategy" or "supermarket strategy" to expand its guidelines and allow it to offer the widest range of products in the market. Pursuant to the matching strategy, Countrywide would offer any product or underwriting guideline that was available from another lender, including sub-prime lenders. The result was that Countrywide effectively

outsourced the determination of its underwriting guidelines to the riskiest lenders in the market.

753. Countrywide amplified the effect of the "matching strategy" by also implementing a "no-brokering policy." Under that policy, Countrywide's loan officers were prohibited from referring away loan applicants who were too risky for Countrywide, and instead incentivized those loan officers to find an exception under Countrywide's already-permissive standards that would allow Countrywide to underwrite the loan.

754. In June 2005, Countrywide's Chief Risk Officer, John McMurray stated in an email that, "as a consequence of [Countrywide's] strategy to have the widest product line in the industry, we are clearly out on the 'frontier' in many areas" and that the frontier would have "high expected default rates and losses."

755. Also in June 2005, McMurray stated in an email that because of the matching strategy, Countrywide's "composite guides [were] likely the most aggressive in the industry." Further, in November 2006, McMurray stated that the matching strategy had ceded Countrywide's underwriting guidelines to the most aggressive lenders in the market. McMurray made these concerns known to other Countrywide executives, including: Angelo Mozilo, Chief Executive; David Sambol, President and Chief Operating Officer; and Eric Sieracki, Chief Financial Officer (all of whom were sued by the SEC for conduct while at Countrywide).

756. On July 28, 2005, a Countrywide executive sent an email to the Structured Loan Desk telling it to expand the program for which it could approve "excep-

tion" loans. He wrote, "[T]o the widest extent possible, we are going to start allowing exceptions on all requests, regardless of program, for all loans less than $3 million, effective immediately . . . *We will assume securitization in all cases*." (emphasis added).

757. After originating mortgages under these programs, Countrywide securitized the mortgages into RMBS and sold them to investors. Countrywide's "matching strategy," "no-brokering policy," and the concerns of its Chief Risk Officer were never disclosed to investors.

758. Countrywide's Chief Risk Officer was not the only executive to recognize the problems with Countrywide's underwriting and voice concerns. One of Countrywide's most popular products was a loan called a Pay-Option ARM. That product allowed a borrower to choose his monthly mortgage payment from a range of options that included paying less than the interest accrued each month. If the borrower chose to pay less than the accrued interest, negative amortization would occur until the loan reached 115% of its initial principal value. The loan would then reset to require monthly payments on the new principal plus interest.

759. In April 2006, Mozilo, Countrywide's CEO, stated in internal emails that because over 70% of borrowers in the Pay-Option ARM product were choosing to pay less than the interest accrued each month, "it is just a matter of time that we will be faced with much higher resets and therefore much higher delinquencies."

760. On June 1, 2006, Mozilo sent an email to Sambol and other executives, stating his concern that the majority of the Pay-Option ARMs were originated on

stated income and that that there was evidence that the borrowers were misstating their income. The email also reiterated Mozilo's concerns that borrowers "are going to experience a payment shock which is going to be difficult if not impossible for them to manage," and concluded that "[w]e know or can reliably predict what's going to happen in the next couple of years."

761. By September 2006, Mozilo admitted in an email to Sambol and Sieracki that "[w]e have no way, with any reasonable certainty, to assess the real risk of holding these loans on our balance sheet," and that "[t]he bottom line is we are flying blind." Mozilo further admitted the "pay options are currently mispriced in the secondary market," urging that "the timing [wa]s right" to sell Countrywide Bank's portfolio of loans.

762. McMurray agreed, stating that Countrywide "should be shedding rather than adding Pay Option risk to the portfolio." Countrywide did just that, bundling the Pay-Option ARMs with other mortgage products in RMBS and selling the RMBS to investors, never disclosing its internal concerns regarding the Pay-Option ARM product.

763. Instead, Countrywide represented in its 2006 Form 10-K that it had "prudently underwritten" its Pay-Option ARMs. Further, Mozilo gave a speech on May 31, 2007 stating, "Pay-Option loans represent the best whole loan type available for the portfolio investment from an overall risk and return perspective," that, "[t]he performance profile of this product is well understood because of its twenty year history, which includes stress tests in difficult environments," and that Coun-

trywide "actively manages credit risk through prudent program guidelines . . . and sound underwriting."

764. By November 2007, Mozilo admitted in an email to Sambol that Countrywide was unable to properly underwrite the Pay-Option ARMs.

765. Pay-Option ARMs were not the only product originated by Countrywide that was recognized internally as dangerous and marked to be offloaded to investors. Countrywide also originated a substantial amount of 80/20 subprime loans, meaning a first-lien loan for 80% of the home's appraised value and a simultaneous second-lien loan for the remaining 20% was given to a borrower with a subprime FICO score.

766. Despite Countrywide's liberal use of the 80/20 subprime product, Mozilo stated in an email on March 28, 2006 that it was "the most dangerous product in existence and there can be nothing more toxic."

767. The next month, on April 13, 2006, Mozilo wrote in an email to Sambol, Sieracki, and others that the subprime second lien loans had been originated "through our channels with disregard for process [and] compliance with guidelines," that he had "personally observed a serious lack of compliance within our origination system as it relates to documentation and generally a deterioration in the quality of loans originated," and finally, "[i]n my conversations with Sambol he calls the 100% sub prime seconds as the 'milk' of the business. Frankly, I consider that product line to be the poison of ours."

768. Countrywide misrepresented the quality of loans in its RMBS to induce large investors, like pension funds, including VRS, into purchasing the securities. Countrywide knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information to investors about the securities, particularly pension funds like VRS, and induce them to purchase the securities. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely only on the information in this prospectus and the accompanying prospectus supplement. We have not authorized anyone to provide you with information that is different from that contained in this prospectus and the accompanying prospectus supplement." Nevertheless, Countrywide chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of investors like VRS.

769. Like many financial institutions, Countrywide used Due Diligence Firms to perform due diligence on the pools of loans it purchased from originators. But rather than use the due diligence to ensure the quality of the mortgages that it securitized into RMBS were consistent with the representations Countrywide made in the Offering Documents, Countrywide largely disregarded the results of that due diligence and included loans in its RMBS that were identified as failing to meet underwriting standards. Countrywide then sold the RMBS to investors such as VRS, knowingly misrepresenting the quality of the loans in the Offering Documents and failing to disclose that many of the underlying loans failed due diligence testing.

770. For example, Clayton tested samples of loan pools for Countrywide prior to Countrywide purchasing the loans. Clayton notified Countrywide that 26% of the loans tested did not comply with underwriting guidelines and did not have compensating factors that justified approval and/or had defective appraisals. In response, Countrywide knowingly and deliberately waived 12% of those loans into the pools that were purchased. Countrywide then securitized the waived-in loans into RMBS, which were then sold to investors like VRS.

771. Countrywide purposely and knowingly did not disclose that: (1) despite Countrywide's representations, a substantial portion of the mortgages actually failed to meet underwriting standards and had been identified as unqualified for securitization by Clayton; and (2) Countrywide waived the disqualified loans into the pool anyway, passing on the associated risk to VRS and other unsuspecting investors who reasonably relied on the misrepresentations in the Offering Documents.

772. Countrywide not only purposely securitized a substantial portion of the sampled loans Clayton identified as failing to meet underwriting standards, it also deliberately avoided testing the remainder of the pools it purchased and instead securitized all of the untested loans in those pools. By purposely avoiding confirmation of what it knew to be true, Countrywide recklessly disregarded that a significant portion of the loans it securitized did not meet underwriting standards and that Countrywide's representations in its Offering Documents were false.

773. Countrywide originated a large portion of the loans it securitized, and therefore had firsthand knowledge that those loans failed to comply with the repre-

sentations in the Countrywide Offering Documents. Countrywide also performed an internal due diligence review of the mortgages it securitized into RMBS. Countrywide necessarily discovered in its due-diligence review that many of the loans did not meet underwriting standards, but like with those identified by Clayton, securitized them anyway and sold those securities to unsuspecting investors, including VRS.

774. Countrywide knew that investors like VRS did not have access to the due diligence performed by Countrywide or third parties like Clayton and did not have access to Countrywide's waiver decision process. As a result, Countrywide's statements in the Offering Documents created a false impression by stating that the loans underlying the RMBS met underwriting standards, while failing to disclose that a substantial portion of the sampled loans did not meet the standards outlined in the Offering Documents, or that Countrywide had no basis to make such a representation as to unsampled loans.

775. Countrywide not only provided bad data to investors in the Offering Documents, it also fed the same misrepresentations to Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But Countrywide did not stop there. Countrywide knowingly and purposely used misrepresentations to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated.

776. VRS would not have acquired or held Countrywide's RMBS if Countrywide had accurately represented those securities to the Credit Rating Agencies and in the Offering Documents.

777. Countrywide made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors, like VRS, was so obvious, particularly since Countrywide told those investors, including VRS, to rely on the misrepresentations in the Offering Documents and *nothing else* that Countrywide knew or must have been aware of the danger.

778. Countrywide, as a subsidiary of Bank of America, joined in the $16.65 billion settlement in a separate action led by the U.S. Department of Justice, and essentially admitted the wrongful nature of its conduct in underwriting and selling RMBS to investors like VRS on August 21, 2014. The "Statement of Facts" incorporated into that settlement acknowledges much of the fraudulent conduct that gave rise to the damages that VRS seeks in this case.

5. Credit Suisse

779. Credit Suisse knowingly and purposefully included defective loans in its RMBS that failed to meet the applicable standards, systematically disregarded warnings from Due Diligence Firms, and then misrepresented the quality of those loans to large investors, like pension funds, including VRS, to induce them into purchasing the RMBS. Credit Suisse knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materi-

ally misstated. These Offering Documents were created to give information to investors about the securities, particularly pension funds like VRS, and induce them to purchase the securities. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely on the information contained in this document or to which we have referred you in this prospectus supplement. We have not authorized anyone to provide you with information that is different." Nevertheless, Credit Suisse chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of VRS and other investors.

780. Like many financial institutions, Credit Suisse used Due Diligence Firms to perform due diligence on the pools of loans it purchased from originators. But rather than use the due diligence to ensure the quality of the mortgages that it securitized into RMBS were consistent with the representations Credit Suisse made in the Offering Documents, Credit Suisse largely disregarded the results of that due diligence and included loans in its RMBS that were identified as failing to meet underwriting standards. Credit Suisse then sold the RMBS to investors such as VRS, knowingly misrepresenting the quality of the loans in the Offering Documents and failing to disclose that many of the underlying loans failed due diligence testing.

781. For example, Clayton tested samples of loan pools for Credit Suisse prior to Credit Suisse purchasing the loans. Clayton notified Credit Suisse that 32% of the loans tested did not comply with underwriting guidelines. Of those loans Clayton deemed defective, Credit Suisse knowingly and deliberately waived almost

a third of those loans into the pools that were purchased. Credit Suisse then securitized the waived-in loans into RMBS, which were sold to investors like VRS.

782. Credit Suisse purposely and knowingly did not disclose that, (1) despite Credit Suisse's representations, a substantial portion of the mortgages actually failed to meet underwriting standards and had been identified as unqualified for securitization by Clayton; and (2) Credit Suisse waived the disqualified loans into the pool anyway and passed on the unforeseen risk associated with them to VRS and other unsuspecting investors who reasonably relied on the misrepresentations in the Offering Documents.

783. Not only did Credit Suisse purposely securitize a substantial portion of the loans Clayton identified as failing to meet underwriting standards, it also deliberately avoided testing the remainder of the loans in the pools it purchased and then securitized. Clayton disclosed to other government officials that starting in 2005, it saw a significant deterioration in lending standards and a parallel jump in lending expectations, and that some investment banks directed Clayton to halve the number of loans sampled in each portfolio. Upon information and belief, Credit Suisse was among that group of investment banks. By purposely avoiding confirmation of what it knew to be true, Credit Suisse recklessly disregarded that a significant portion of the loans it securitized did not meet underwriting standards and that Credit Suisse's representations in its Offering Documents were false.

784. Credit Suisse also performed internal due diligence review of the mortgages it securitized into RMBS. In an action brought against the bank by Credit

Suisse's financial guaranty insurer MBIA, Credit Suisse produced internal emails in the course of discovery showing that Credit Suisse knew that the mortgage loans it was pooling for securitizations had been originated in violation of the applicable underwriting guidelines.

785. According to MBIA, when faced with alarming early payment default rates on loans it planned to securitize, Credit Suisse employees sought to obtain "quality control" reports. The reports indicated that substantial percentages of the delinquencies had been caused by substandard underwriting, misstated incomes, and undisclosed debts. Credit Suisse necessarily discovered in its own due-diligence review that many of the loans did not meet underwriting standards, but like those identified by Clayton, securitized them anyway and sold them to unsuspecting investors, including VRS.

786. Credit Suisse was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors, but also because Credit Suisse provided warehouse lines of credit to originators. These warehouse lines provided Credit Suisse with a guaranteed stream of loans it could then purchase and securitize but also opened Credit Suisse to risk if the originators were unable to sell the loans. Therefore, it was critical for Credit Suisse that the loans were purchased so that the credit it extended to the originators was paid off.

787. This relationship further incentivized Credit Suisse to purchase defective loans to get the warehouse lines paid off and then pass those risky loans on to

investors in RMBS. As a warehouse lender, Credit Suisse had a detailed knowledge of the originators' operations, including their underwriting standards and practices, but Credit Suisse was willing to ignore blatant underwriting failures to ensure its lines of credit to the originators were paid off and to maintain a guaranteed stream of loans to securitize.

788. Credit Suisse knew that investors like VRS did not have access to the due diligence performed by Credit Suisse or third parties like Clayton and did not have access to Credit Suisse's waiver decision process. As a result, Credit Suisse's statements in the Offering Documents created a false impression by stating that the loans underlying the RMBS met underwriting standards, while failing to disclose that a substantial portion of the loans did not meet the standards outlined in the Offering Documents.

789. Credit Suisse not only provided bad data to investors in the Offering Documents, it also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But Credit Suisse did not stop there. It also pressured the rating agencies to give its RMBS favorable ratings. Credit Suisse was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. Credit Suisse knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated.

790. VRS would not have acquired or held Credit Suisse's RMBS if Credit Suisse had accurately represented those securities to the Credit Rating Agencies and in the Offering Documents.

791. Credit Suisse made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors was so obvious, particularly since Credit Suisse told those investors, including VRS, to rely on the misrepresentations in the Offering Documents and *nothing else*, that Credit Suisse knew or must have been aware of the danger.

6. Goldman Sachs

792. Goldman Sachs knowingly included recklessly underwritten loans in its RMBS that failed to meet the applicable standards, systematically disregarded its own and third-party due diligence, and then misrepresented the quality of those loans to large investors, including VRS, to induce them into purchasing the RMBS. The Senate Permanent Subcommittee report on its investigation of the facts surrounding Goldman Sachs' securitizations of RMBS concluded that "Goldman originated and sold RMBS securities that it knew had poor quality loans that were likely to incur abnormally high rates of default."

793. Goldman Sachs knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information about the securities to investors, particularly pension funds like VRS, and to induce them to purchase the securities. The Offering Documents explicitly induced reliance from

potential investors by stating, "You should rely only on the information incorporated by reference or provided in this prospectus or any accompanying prospectus supplement. We have not authorized anyone else to provide you with different information." Nevertheless, Goldman Sachs chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of investors like VRS.

794. Like many financial institutions, Goldman Sachs used Due Diligence Firms to perform due diligence on the pools of loans it purchased from originators. But rather than use the due diligence to ensure the quality of the mortgages that it securitized into RMBS were consistent with the representations Goldman Sachs made in the Offering Documents, Goldman Sachs included loans in its RMBS that were identified as failing to meet underwriting standards. Goldman Sachs then sold the RMBS to investors such as VRS by knowingly misrepresenting the quality of the loans in the Offering Documents and failing to disclose that many of the underlying loans failed due diligence testing.

795. For example, Clayton tested samples of loan pools for Goldman Sachs prior to Goldman Sachs purchasing the loans. Clayton notified Goldman Sachs that 23% of the loans tested did not comply with underwriting guidelines and did not have compensating factors that justified approval and/or had defective appraisals. In response, Goldman Sachs knowingly and deliberately waived 29% of those loans into the pools that were purchased. Goldman Sachs then securitized the waived-in loans into RMBS, which were then sold to investors such as VRS.

796. Goldman Sachs purposely and knowingly did not disclose that, (1) despite Goldman Sachs' representations, a substantial portion of the mortgages actually failed to meet underwriting standards and had been identified as unqualified for securitization by Clayton; and (2) Goldman Sachs waived the disqualified loans into the pool anyway and passed on the unforeseen risk associated with them to unsuspecting investors such as VRS who reasonably relied on the misrepresentations in the Offering Documents.

797. Not only did Goldman Sachs purposely securitize a substantial portion of the loans Clayton identified as failing to meet underwriting standards, it also deliberately avoided testing the remainder of the loans in the pools it purchased and then securitized. Clayton disclosed to other government officials that starting in 2005, it saw a significant deterioration in lending standing and a parallel jump in lending expectations, and that some investment banks directed Clayton to halve the number of loans sampled in each portfolio. Upon information and belief, Goldman Sachs was among that group of investment banks. By purposely avoiding confirmation of what it knew to be true, Goldman Sachs recklessly disregarded that a significant portion of the loans it securitized did not meet underwriting standards and that Goldman Sachs's representations in its Offering Documents were false.

798. Goldman Sachs also conducted its own due diligence review of the mortgages it securitized into RMBS. And a former Goldman Sachs employee who worked in structured finance for Goldman Sachs told the FCIC that teams within Goldman Sachs conducted due diligence on the mortgages it securitized. Goldman

Sachs necessarily discovered in its due-diligence review that many of the loans did not meet underwriting standards, but like with those identified by Clayton, securitized them anyway and sold them to unsuspecting investors such as VRS.

799. Goldman Sachs knew that investors such as VRS did not have access to the due diligence performed by Goldman Sachs or third parties like Clayton and did not have access to Goldman Sachs's waiver decision process. As a result, Goldman Sachs's statements in the Offering Documents created a false impression by stating that the loans underlying the RMBS met underwriting standards, while failing to disclose that a substantial portion of the loans did not meet the standards outlined in the Offering Documents.

800. Goldman Sachs was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors, but also because Goldman Sachs provided warehouse lines of credit to originators that needed to be repaid. These warehouse lines provided Goldman Sachs with a guaranteed stream of loans it could then purchase and securitize but also opened Goldman Sachs to risk if the originators were unable to sell the loans. Therefore, it was critical for Goldman Sachs that the loans were purchased so that the credit it extended to the originators was paid off.

801. This relationship further incentivized Goldman Sachs to purchase defective loans to get the warehouse lines paid off and then pass those risky loans on to investors in RMBS. As a warehouse lender, Goldman Sachs had a detailed

knowledge of the originators' operations, including its reckless lending practices. The FCIC reported that instead of using this information to force the originators to conform to the applicable underwriting standards, Goldman Sachs used the information to charge higher warehouse fees to mortgage originators with higher early payment default and "drop out" rates.

802. Goldman Sachs' knowledge of the true nature of the loans it was securitizing is further evidenced by the manner in which Goldman Sachs handled its own investments. Internally, Goldman Sachs characterized its offerings as "junk," "dogs," "big old lemons," and "monstrosities," while congratulating itself for successfully offloading that "junk" onto others.

803. To reduce its own massive financial exposure to RMBS while continuing to clear toxic loans off its books by creating and selling more mortgage-related products to its clients, Goldman Sachs began looking for ways to short the market and bet against the very customers who bought its RMBS. Starting in early summer 2006, Goldman Sachs entered into credit default swaps worth hundreds of millions of dollars, whereby it profited when the very RMBS positions it sold onto the market declined in value and/or defaulted.

804. Goldman Sachs not only provided bad data to investors in the Offering Documents, it also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But Goldman Sachs did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

805. Goldman Sachs was desperate to get AAA ratings for its RMBS because it knew that investors such as VRS relied on those ratings when making investment decisions. Goldman Sachs knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated.

806. Around the same time, the mortgage department at Goldman Sachs also placed a massive $9 billion "short" bet on RMBS, a position whose net value rose to as high as $13.9 billion in 2007. In selling RMBS to investors, including VRS, Goldman Sachs never disclosed these practices, behavior that its Chairman and CEO, Lloyd Blankfein, subsequently admitted was "improper" in testimony before the FCIC.

807. Not content with simply misrepresenting its RMBS to unsuspecting investors, Goldman Sachs concocted a variety of schemes to further profit off its non-public insider knowledge of originators' shoddy practices in what one industry expert analogized, in testimony before Congressional investigators, to "buying fire insurance on someone else's house and then committing arson."

808. Goldman Sachs made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors, like VRS, was so obvious, particularly since Goldman Sachs told investors, like VRS, to rely on the misrepresentations in the Offering Docu-

ments and *nothing else*, that Goldman Sachs knew it or must have been aware of the danger.

7. Deutsche Bank

809. Deutsche Bank knowingly misrepresented the quality of its RMBS to induce large investors, including VRS into purchasing the securities. Deutsche Bank knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information about the securities to investors, particularly pension funds like VRS, and to induce them to purchase the securities. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely only on the information contained in this document. We have not authorized anyone to provide you with different information." Nevertheless, Deutsche Bank chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of investors like VRS.

810. Deutsche Bank, like many financial institutions that securitized mortgages into RMBS, used Due Diligence Firms to perform due diligence on the pools of loans it purchased from originators. Deutsche Bank, however, largely ignored the results of that due diligence and included loans in its RMBS that were identified as failing to meet underwriting standards. Deutsche Bank then sold the RMBS to investors such as VRS, knowingly misrepresenting the quality of the loans in the Offering Documents and failing to disclose that many of the underlying loans failed due diligence testing.

811. For example, Clayton tested samples of loan pools for Deutsche Bank from at least January 1, 2006 to June 30, 2007. In that time frame, Clayton informed Deutsche Bank that 34.9% of the loans tested did not comply with underwriting guidelines and did not have compensating factors that justified approval and/or had defective appraisals.

812. In response, Deutsche Bank knowingly and deliberately waived approximately half of those loans into the pools that were purchased and eventually securitized into RMBS, which were then sold to investors like VRS. In fact, according to Clayton Senior Vice President Vicki Beal, when confronted with Clayton's trending report reflecting the high percentage of faulty loans, Deutsche Bank's Managing Director Michael Commaroto was concerned that "[i]n the hands of the wrong people it could be misunderstood."

813. To keep the information out of the hands of the "wrong people," Deutsche Bank purposely and knowingly did not disclose to investors such as VRS that: (1) despite Deutsche Bank's representations, a substantial portion of the mortgages actually failed to meet underwriting standards and had been identified as unqualified for securitization by Clayton; and (2) Deutsche Bank waived the disqualified loans into the pool anyway and passed on the unforeseen risk associated with them to unsuspecting investors such as VRS, who reasonably relied on the misrepresentations in the Offering Documents.

814. Meanwhile, internally, according to Beal, Deutsche Bank waived in the unqualified loans Clayton had rejected because it was "trying to get this stuff out

the door." Beal revealed that Deutsche Bank reasoned that it could waive in the improperly underwritten loans because, from Deutsche Bank's perspective, "We're not holding it on our books. We're pushing it out. We'll take anything [any loan] and do it." In an effort to turn a huge profit, Deutsche Bank completely disregarded the quality of the loans it included in its RMBS and the truthfulness of its representations it made in the Offering Documents to investors such as VRS.

815. Not only did Deutsche Bank purposely securitize a substantial portion of the loans Clayton identified as failing to meet underwriting standards, it also deliberately avoided testing the remainder of the loans in pools it purchased and then securitized. By doing so, Deutsche Bank recklessly disregarded overwhelming evidence that a significant portion of the loans it securitized did not meet underwriting standards and that Deutsche Bank's representations in its Offering Documents to the contrary were false.

816. Deutsche Bank also did an internal due diligence review of the mortgages it securitized into RMBS, re-underwriting a sample of loans it purchased from originators to ensure they met the applicable underwriting standards. Deutsche Bank's Vice President of the Due Diligence Department, Joseph Swartz, in an interview with the FCIC, confirmed that Deutsche Bank conducted this review, stating that his team spent "hour after hour through hundreds and hundreds of loans, loans that had drifted to see, is there anything about this credit, about the borrower that is alarming?"

817. Deutsche Bank necessarily discovered in that review that many of the loans did not meet underwriting standards, but like with those identified by Clayton, securitized them anyway and "push[ed] them out" to investors such as VRS.

818. Deutsche Bank was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors, but also because Deutsche Bank provided warehouse lines of credit to originators that needed to be repaid. These warehouse lines provided Deutsche Bank with a guaranteed stream of loans it could then purchase and securitize but also opened Deutsche Bank to risk if the originators were unable to sell the loans.

819. Therefore, it was critical for Deutsche Bank that the loans were purchased so that the credit it extended to the originators was paid off. This relationship further incentivized Deutsche Bank to purchase defective loans to get the warehouse lines paid off and then pass those loans on to investors in RMBS. As a warehouse lender, Deutsche Bank had a detailed knowledge of the originators' operations, including their underwriting standards and practices, but Deutsche Bank was willing to ignore blatant underwriting failures to ensure its lines of credit to the originators were paid off.

820. According to the Senate Permanent Subcommittee on Investigations, "Deutsche Bank underwrote securities using loans from subprime lenders known for issuing high risk, poor quality mortgages, and sold risky securities to investors

across the United States and around the world. They also enabled the lenders to acquire new funds to originate still more high risk, poor quality loans."

821. Deutsche Bank knew that investors such as VRS, did not have access to the due diligence performed by Clayton or Deutsche Bank or Deutsche Bank's waiver decision process. As a result, Deutsche Bank's statements in the Offering Documents created a false impression by stating that the loans underlying the RMBS met underwriting standards, while failing to disclose that a substantial portion of the loans did not meet the standards outlined in the Offering Documents.

822. Deutsche Bank not only provided bad data to investors in the Offering Documents, Deutsche Bank also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But Deutsche Bank did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

823. Deutsche Bank was desperate to get AAA ratings for its RMBS because it knew that investors such as VRS relied on those ratings when making investment decisions. Deutsche Bank knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated.

824. Further, starting in 2005, Deutsche Bank allowed its global head CDO trader, Greg Lippmann, to develop a large proprietary short position for the bank in the RMBS market. Because carrying that short position required the bank to pay

millions of dollars in premiums, Deutsche Bank senior management also required Lippmann to defray or eliminate those costs by convincing others to take short positions in the mortgage market, thereby generating fees for the bank from arranging those shorts. In 2006, Lippmann generated an estimated $200 million in fees by encouraging his clients to buy short positions.

825. Throughout 2006 and 2007, Lippmann repeatedly warned and advised his Deutsche Bank colleagues and some of his clients seeking to buy short positions about the poor quality of the RMBS securities underlying many CDOs, describing some of those securities as "crap" and "pigs." Lippmann at times referred to the industry's ongoing CDO marketing efforts as a "CDO machine" or "ponzi scheme," and predicted that the U.S. mortgage market as a whole would eventually plummet in value.

826. Simultaneously, Lippmann increased the size of Deutsche Bank's short position, to a total of $5 billion by 2007, by taking the short side of credit default swaps referencing individual RMBS securities. In 2007 and 2008, Lippmann cashed in on the short position at the direction of Deutsche Bank's senior management, generating a profit for the bank of $1.5 billion in the process.

827. Deutsche Bank made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors, like VRS, was so obvious, particularly since Deutsche Bank told investors, like VRS, to rely on the misrepresentations in the Offering Docu-

ments and *nothing else*, that Deutsche Bank knew it or must have been aware of the danger.

8. Merrill Lynch

828. Merrill Lynch knowingly misrepresented the quality of its RMBS to investors, including VRS. Merrill Lynch knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated.

829. These Offering Documents were created to give information about the securities to investors, particularly pension funds like VRS, and to induce them to purchase the securities. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely only on the information contained in this prospectus and the accompanying prospectus supplement. We have not authorized anyone to provide you with information that is different from that contained in this prospectus and the accompanying prospectus supplement." Nevertheless, Merrill Lynch chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of investors like VRS.

830. Like many financial institutions, Merrill Lynch used Due Diligence Firms to perform due diligence on the pools of loans it purchased from originators. But rather than use the due diligence to ensure the quality of the mortgages that it securitized into RMBS were consistent with the representations Merrill Lynch made in the Offering Documents, Merrill Lynch largely disregarded the results of that due diligence and included loans in its RMBS that were identified as failing to meet underwriting standards. Merrill Lynch then sold the RMBS to investors such

as VRS, knowingly misrepresenting the quality of the loans in the Offering Documents and failing to disclose that many of the underlying loans failed due diligence testing.

831. As part of their analysis, the Due Diligence Firms assigned grades to loans taken from the samples: "EV1" meant that the loan was underwritten in accordance with applicable laws and guidelines; "EV2" meant that the loan did not comply with applicable underwriting guidelines but had sufficient compensating factors to justify the extension of credit; "EV3" meant the loan was not originated in compliance with applicable laws and regulations, did not comply with applicable underwriting guidelines, and lacked sufficient offsetting compensating factors, or the loan file was missing a key piece of documentation.

832. The Due Diligence Firms assigned grades of EV3 when the underwriting and compliance attributes included things like, loans to borrowers who had recently declared bankruptcy; "high cost" loans that facially violated state lending laws; debt-to-income ratios that did not comply with applicable product guidelines; stated incomes the Due Diligence Firms concluded unreasonable; or were missing documentation of income, assets, and rental or mortgage history.

833. Merrill Lynch's Due Diligence Firms assigned the bottom EV3 grade to a significant percentage of the loans they reviewed. In fact, according to reports created by the Due Diligence Firms and given to Merrill Lynch's Due Diligence manager, some due diligence samples had an EV3 rate as high as 50% of the loans sampled.

834. Rather than exclude those loans from securitization, Merrill Lynch's internal diligence personnel instead directed the Due Diligence Firms to change the grades of many of those loans to a conforming level, either EV1 or EV2. Merrill Lynch then went forward and securitized the loans into RMBS that investors, like VRS, purchased. But, Merrill Lynch did not give investors any indication that any of the underlying loans failed its due diligence process and were "waived" in nonetheless.

835. For example, Clayton tested samples of loan pools for Merrill Lynch prior to Merrill Lynch purchasing the loans. Clayton notified Merrill Lynch that 23% of the loans tested did not comply with underwriting guidelines and did not have compensating factors that justified approval and/or had defective appraisals. In response, Merrill Lynch knowingly and deliberately waived almost a third of those loans into the pools that were purchased. Merrill Lynch then securitized the waived-in loans into RMBS, which were then sold to investors such as VRS.

836. Merrill Lynch purposely and knowingly did not disclose that, (1) despite Merrill Lynch's representations, a substantial portion of the mortgages actually failed to meet underwriting standards and had been identified as unqualified for securitization by Clayton; and (2) Merrill Lynch waived the disqualified loans into the pool anyway and passed on the unforeseen risk associated with them to unsuspecting investors such as VRS who reasonably relied on the misrepresentations in the Offering Documents.

837. Merrill Lynch also hired third-party valuation firms to test the initial appraisals of the mortgaged properties. Merrill Lynch, however, added a tolerance level of 10-15% to the review, meaning that as long as the original appraisal was not more than 10-15% higher than the third-party appraisal, Merrill Lynch would accept the loan.

838. For example, if an appraisal provided a value of $100,000, Merrill Lynch would accept the loan if the due diligence valuation was as low as $85,000. This meant that Merrill Lynch securitized mortgages with loan-to-value ratios that were actually higher than it reported, including loans with a LTV ratio of 100 percent. If a borrower had a loan of $80,000 secured by a property that was initially appraised at $100,000, the reported loan-to-value ratio would be 80%. If the diligence review revealed the value of the property were $85,000, however, then Merrill Lynch would know that the actual LTV ratio was 94%. Merrill Lynch did not disclose its 10-15% tolerance practice that allowed for loans with significantly higher loan-to-value ratios than those reported to be included in the securitizations, including those purchased by VRS.

839. Not only did Merrill Lynch purposely securitize a substantial portion of the loans Clayton identified as failing to meet underwriting standards, it also deliberately avoided testing the remainder of the loans in the pools it purchased and then securitized. By purposely avoiding confirmation of what it knew to be true, Merrill Lynch recklessly disregarded that a significant portion of the loans it secu-

ritized did not meet underwriting standards and that Merrill Lynch's representations in its Offering Documents were false.

840. Merrill Lynch also performed an internal due diligence review of the mortgages it securitized into RMBS. Merrill Lynch's former CEO Stanley O'Neal stated that Merrill Lynch conducted audits of the mortgages it purchased to determine whether they complied with underwriting guidelines. And a former Merrill Lynch employee who worked in structured finance for Merrill Lynch told the FCIC that teams within Merrill Lynch conducted due diligence on the mortgages it securitized. Merrill Lynch necessarily discovered in its due-diligence review that many of the loans did not meet underwriting standards, but like those identified by Clayton, securitized them anyway and sold them to unsuspecting investors such as VRS.

841. This pattern of disregarding the results of the due diligence led one Merrill Lynch consultant to send an email asking: "[h]ow much time do you want me to spend looking at these [loans] if [the co-head of Merrill Lynch's RMBS business] is going to keep them regardless of issues? . . . "Makes you wonder why we have due diligence performed other than making sure the loan closed."

842. These due diligence results are consistent with a "trending report" prepared for client marketing purposes by one of Merrill Lynch's due diligence vendors (later described by the vendor to be a "beta" or test report) that tracked EV3 and waiver rates in the samples from the Merrill Lynch loan pools that the vendor reviewed from the first quarter of 2006 through the second quarter of 2007. During those six quarters, the vendor reported that it reviewed 55,529 loans for Merrill

Lynch. The vendor reported that 12,888 of the loans reviewed, or 23%, received an initial grade of EV3. The report notes that 4,099 loans, or 31.8% of the loans that received an initial EV3 grade, were "waived" into the purchase pools by Merrill Lynch.

843. Merrill Lynch gained additional knowledge of the failures to meet underwriting standards when it acquired loan originator, First Franklin in December 2006. This acquisition vertically integrated every significant aspect of Merrill Lynch's RMBS business, from origination through securitization. Additionally, this integration gave Merrill Lynch greater visibility into First Franklin's loan origination practices.

844. After acquiring First Franklin, Merrill Lynch sometimes reviewed a smaller due diligence sample when securitizing First Franklin loans than it had prior to the acquisition. This practice was noted by a Merrill Lynch employee who stated in an email that certain post-acquisition First Franklin loans were being securitized "without the equivalent of a whole loan due diligence" and as a result "valuation and other credit kickouts will not occur," as they had prior to the acquisition.

845. During one period in 2007, Merrill Lynch even outsourced decision-making authority to First Franklin on what First Franklin loans should be waived in and securitized. For example, according to a May 2007 report, one of the Due Diligence Firms graded 7% of the loans in one sample of First Franklin loans EV3;

First Franklin waived in 58% of those loans, most of which were subsequently securitized by Merrill Lynch.

846. Merrill Lynch was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors but also because Merrill Lynch provided warehouse lines of credit to originators that needed to be repaid. These warehouse lines provided Merrill Lynch with a guaranteed stream of loans it could then purchase and securitize but also opened Merrill Lynch to risk if the originators were unable to sell the loans. Therefore, it was critical for Merrill Lynch that the loans were purchased so that the credit it extended to the originators was paid off.

847. This relationship further incentivized Merrill Lynch to purchase defective loans to get the warehouse lines paid off and then pass those risky loans on to investors in RMBS. As a warehouse lender, Merrill Lynch had a detailed knowledge of the originators' operations, including their underwriting standards and practices, but Merrill Lynch was willing to ignore blatant underwriting failures to ensure its lines of credit to the originators were paid off and to maintain a guaranteed stream of loans to securitize.

848. Merrill Lynch knew that investors such as VRS did not have access to the due diligence performed by Merrill Lynch or third parties like Clayton and did not have access to Merrill Lynch's waiver decision process. As a result, Merrill Lynch's statements in the Offering Documents created a false impression by stating

that the loans underlying the RMBS met underwriting standards while failing to disclose that a substantial portion of the loans did not meet the standards outlined in the Offering Documents.

849. Merrill Lynch not only provided bad data to investors in the Offering Documents, Merrill Lynch also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But Merrill Lynch did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

850. Merrill Lynch was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. Merrill Lynch knowingly and purposely used misrepresentations and pressure to get inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated.

851. Merrill Lynch made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors, like VRS, was so obvious, particularly since Merrill Lynch told investors, like VRS, to rely on the misrepresentations in the Offering Documents and *nothing else*, that Merrill Lynch knew it or must have been aware of the danger.

852. Merrill Lynch, as a subsidiary of Bank of America, joined in the $16.65 billion settlement in a separate action led by the U.S. Department of Justice, and essentially admitted the wrongful nature of its conduct in underwriting and selling RMBS to investors like VRS on August 21, 2014. The "Statement of Facts" incorporated into that settlement acknowledges much of the fraudulent conduct that gave rise to the damages that VRS seeks in this case.

853. Specifically, in that "Statement of Facts" Merrill Lynch states that for one of the securities at issue in this action, MLMI 2006-WMC2, the Due Diligence Firms graded 45% of the loans as EV3 and that Merrill Lynch subsequently waived in 26% of the loans that had received an EV3 rating.

9. Bank of America

854. Bank of America knowingly included recklessly underwritten loans in its RMBS that failed to meet the applicable standards, systematically disregarded its own and third-party due diligence, and misrepresented the quality of loans underlying its securities to investors, including VRS, to induce them into purchasing the RMBS.

855. Bank of America knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information about the securities to investors, particularly pension funds like VRS, and to induce them to purchase the securities.

856. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely only on the information in this prospectus and

the accompanying prospectus supplement including the information incorporated by reference. No one has been authorized to provide different information to you." Nevertheless, Bank of America chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of investors like VRS.

857. Bank of America originated a large portion of the loans it securitized itself and therefore had firsthand knowledge that those loans failed to comply with the representations in its Offering Documents. In fact, Bank of America established a multi-step process for its origination practices to increase the chances that loans would be approved.

858. In the first instance, an automated system made the initial determination of whether a borrower qualified. If the loan was rejected by the automated system, it then went to a junior underwriter for manual underwriting. If the junior underwriter rejected the loan, the loan then moved to a senior underwriter with greater authority to approve applications that did not meet Bank of America underwriting guidelines.

859. Bank of America also had an entire division dedicated to approving problem loans called the "Plan C" group. The "Plan C" group had even more authority than senior underwriters to approve loans that failed to meet Bank of America's underwriting guidelines, including the broad exception power of its senior underwriters. Bank of America used these multiple layers of approval to ensure that every loan that could conceivably be approved, including those that fell well outside of

Bank of America's underwriting guidelines and the representations in the Offering Documents, were approved.

860. Bank of America then securitized these reckless loans and passed them on to investors, including VRS. Bank of America knew full well that these loans did not comply with the representations made in its Offering Documents but still originated and securitized them anyway.

861. For the loan pools Bank of America purchased from third-party originators, Bank of America used Due Diligence Firms to perform due diligence. But rather than use the due diligence reports to ensure the quality of the mortgages that it securitized into RMBS were consistent with the representations Bank of America made in the Offering Documents, Bank of America largely disregarded the results of that due diligence and included loans in its RMBS that were identified as failing to meet underwriting standards. Bank of America then sold the RMBS to investors such as VRS, knowingly misrepresenting the quality of the loans in the Offering Documents and failing to disclose that many of the underlying loans failed due diligence testing.

862. For example, Clayton tested samples of loan pools for Bank of America prior to Bank of America purchasing the loans. Clayton notified Bank of America that 30% of the loans tested did not comply with underwriting guidelines and did not have compensating factors that justified approval and/or had defective appraisals. In response, Bank of America knowingly and deliberately waived 27% of those

loans into the pools that were purchased. Bank of America then securitized the waived-in loans into RMBS, which were then sold to investors like VRS.

863. Bank of America purposely and knowingly did not disclose that: (1) despite Bank of America's representations, a substantial portion of the mortgages actually failed to meet underwriting standards and had been identified as unqualified for securitization by Clayton; and (2) Bank of America waived the disqualified loans into the pool anyway and passed on the unforeseen risk associated with such loans to unsuspecting investors like VRS who reasonably relied on the misrepresentations in the Offering Documents.

864. Not only did Bank of America purposely securitize a substantial portion of the loans Clayton identified as failing to meet underwriting standards, it also deliberately avoided testing the remainder of the loans in the pools it purchased and then securitized. By purposely avoiding confirmation of what it knew to be true, Bank of America recklessly disregarded that a significant portion of the loans it securitized did not meet underwriting standards and that Bank of America's representations in its Offering Documents were false.

865. Bank of America also pressured appraisers to inflate appraisals, leading to misleading or false loan-to-value ratios. Bank of America had close relationships with appraisers, and used those relationships to tell the appraiser how to value a property. And when employees of Due Diligence Firms raised concerns about appraisals, Bank of America pressured the provider to remove that employee from the Bank of America review.

866. Bank of America was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors but because Bank of America provided warehouse lines of credit to originators. These warehouse lines provided Bank of America with a guaranteed stream of loans it could then purchase and securitize but also opened Bank of America to risk if the originators were unable to sell the loans. Therefore, it was critical for Bank of America that the loans were purchased so that the credit it extended to the originators was paid off. This relationship further incentivized Bank of America to purchase defective loans to get the warehouse lines paid off and then pass those risky loans on to investors in RMBS.

867. As a warehouse lender, Bank of America had a detailed knowledge of the originators' operations, including their underwriting standards and practices, but Bank of America was willing to ignore blatant underwriting failures to ensure its lines of credit to the originators were paid off and to maintain a guaranteed stream of loans to securitize.

868. Bank of America knew that investors like VRS did not have access to the due diligence performed by Bank of America or third parties like Clayton and did not have access to Bank of America's waiver decision process. As a result, Bank of America's statements in the Offering Documents created a false impression by stating that the loans underlying the RMBS met underwriting standards, while failing to disclose that a substantial portion of the loans did not meet the standards outlined in the Offering Documents.

869. Bank of America not only provided bad data to investors in the Offering Documents, Bank of America also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But Bank of America did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

870. Bank of America was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions.

871. Bank of America knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring investors like VRS to invest in RMBS that were significantly riskier than their ratings indicated.

872. Bank of America made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors, like VRS, was so obvious, particularly since Bank of America told investors, like VRS, to rely on the misrepresentations in the Offering Documents and *nothing else*, that Bank of America knew it or must have been aware of the danger.

873. Bank of America essentially admitted the wrongful nature of its conduct in underwriting and selling RMBS to investors like VRS when it agreed on August 21, 2014, to a $16.65 billion settlement in a separate action led by the U.S. De-

partment of Justice. The "Statement of Facts" incorporated into that settlement acknowledges much of the fraudulent conduct that gave rise to the damages that VRS seeks in this case.

10. Morgan Stanley

874. Morgan Stanley knowingly included recklessly underwritten loans in its RMBS that failed to meet the applicable standards, systematically disregarded its own and third-party due diligence, and then misrepresented the quality of those loans to large investors, including VRS and other pension funds, to induce them into purchasing the RMBS.

875. Morgan Stanley's securities underwriting due diligence process was so compromised that it could not have believed that the representations made in the Offering Documents were true and must have recognized that material omissions were made — omissions that rendered the disclosed information misleading.

876. Morgan Stanley knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information to investors about the securities, particularly pension funds like VRS, and induce them to purchase the securities.

877. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information." Nevertheless, Morgan Stanley chose to make the misrepresentations presented in the Of-

fering Documents to maximize its own profits at the expense of VRS and other investors.

878. For example, the FCIC concluded in its report on the financial crisis that Morgan Stanley's internal due diligence operations were inadequate, noting specifically that Morgan Stanley's head of due diligence was based not in New York, but instead in Boca Raton, Florida, and that its head of due diligence, at any given time, had no more than two to five individuals reporting to him directly, all of whom were employed by a personnel consultant rather than Morgan Stanley.

879. Because Morgan Stanley's internal due diligence apparatus consisted of only two to five independent contractors in Boca Raton performing due diligence on tens of billions of dollars in securitizations, Morgan Stanley also used Due Diligence Firms to perform due diligence on the pools of loans it purchased from originators.

880. Yet Morgan Stanley routinely disregarded the warnings raised by Due Diligence Firms. For example, Clayton tested samples of loan pools for Morgan Stanley prior to Morgan Stanley purchasing the loans. Clayton notified Morgan Stanley that a significant percentage of the loans tested did not comply with underwriting guidelines. In response, Morgan Stanley knowingly and deliberately waived approximately 56% of those loans into the pools that were purchased. Morgan Stanley then securitized the waived-in loans into RMBS, which were then sold to VRS and other investors.

881. Morgan Stanley purposely and knowingly did not disclose that, (1) despite Morgan Stanley's representations, a substantial portion of the mortgages actually failed to meet underwriting standards and had been identified as unqualified for securitization by Clayton; and (2) Morgan Stanley waived the disqualified loans into the pool anyway and passed on the unforeseen risk associated with them to VRS and other unsuspecting investors who reasonably relied on the misrepresentations in the Offering Documents.

882. Not only did Morgan Stanley purposely securitize a substantial portion of the loans Clayton identified as failing to meet underwriting standards, it also deliberately avoided testing the remainder of the loans in the pools it purchased and then securitized. Clayton disclosed to other government officials that starting in 2005, it saw a significant deterioration in lending standards and a parallel jump in lending expectations, and that some investment banks directed Clayton to halve the number of loans sampled in each portfolio. Upon information and belief, Morgan Stanley was among that group of investment banks.

883. By purposely avoiding confirmation of what it knew to be true, Morgan Stanley recklessly disregarded that a significant portion of the loans it securitized did not meet underwriting standards and that Morgan Stanley's representations in its Offering Documents were false.

884. Additionally, Morgan Stanley personnel have admitted to federal investigators that the company knew its loan review process was defective. A vice president in Morgan Stanley's due diligence department stated in an interview with

the FCIC that Morgan Stanley routinely rejected Clayton's findings with respect to sampled loans. He further admitted that the Morgan Stanley traders responsible for the RMBS deals had information concerning the inferior quality of the loans they were securitizing, and that significant aspects of the due diligence process, including which loans were to be sampled, were dictated by Morgan Stanley traders in New York.

885. Morgan Stanley was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors but because Morgan Stanley provided warehouse lines of credit to originators. These warehouse lines provided Morgan Stanley with a guaranteed stream of loans it could then purchase and securitize but also opened Morgan Stanley to risk if the originators were unable to sell the loans. Therefore, it was critical for Morgan Stanley that the loans were purchased so that the credit it extended to the originators was paid off.

886. This relationship further incentivized Morgan Stanley to purchase defective loans to get the warehouse lines paid off and then pass those risky loans on to investors in RMBS. As a warehouse lender, Morgan Stanley had a unique window into the originators' operations, including their underwriting standards and practices, but Morgan Stanley was willing to ignore blatant underwriting failures to ensure its lines of credit to the originators were paid off and to maintain a guaranteed stream of loans to securitize.

887. Morgan Stanley knew that investors like VRS did not have access to the due diligence performed by Morgan Stanley or third parties like Clayton and did not have access to Morgan Stanley's waiver decision process. As a result, Morgan Stanley's statements in the Offering Documents created a false impression by stating that the loans underlying the RMBS met underwriting standards, while failing to disclose that a substantial portion of the loans did not meet the standards outlined in the Offering Documents.

888. Morgan Stanley not only provided bad data to investors in the Offering Documents, it also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But Morgan Stanley did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

889. Morgan Stanley was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. VRS would not have acquired or held Morgan Stanley's RMBS if Morgan Stanley had accurately represented those securities to the Credit Rating Agencies and in the Offering Documents.

890. Morgan Stanley knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated.

891. Morgan Stanley made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors was so obvious, particularly since Morgan Stanley told investors, including VRS, to rely on the misrepresentations in the Offering Documents and *nothing else*, that Morgan Stanley knew or must have been aware of the danger.

11. RBS Greenwich

892. RBS Greenwich knowingly misrepresented the quality of loans in its RMBS to induce large investors, including VRS and other pension funds, into purchasing the securities. RBS Greenwich knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information to investors about the securities, particularly pension funds like VRS, and induce them to purchase the securities.

893. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely only on the information provided in this prospectus and the accompanying prospectus supplement, including the information incorporated by reference . . . We have not authorized anyone to provide you with different information." Nevertheless, RBS Greenwich chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of VRS and other investors.

894. RBS Greenwich, like many financial institutions that securitized mortgages into RMBS, used Due Diligence Firms to perform due diligence on the pools of loans it purchased from originators. The due diligence team at RBS Greenwich consisted of only 2-3 individuals, responsible for overseeing the work of the Due Diligence Firms. RBS Greenwich largely ignored the results of that due diligence and included loans in its RMBS that were identified as failing to meet underwriting standards. RBS Greenwich then sold the RMBS to investors such as VRS, knowingly misrepresenting the quality of the loans in the Offering Documents and failing to disclose that many of the underlying loans failed due diligence testing.

895. For example, Clayton tested samples of loan pools for RBS Greenwich from at least January 1, 2006 to June 30, 2007. In that time frame, Clayton informed RBS Greenwich that at least 18.4% of the loans tested did not comply with underwriting guidelines and did not have compensating factors that justified approval and/or had defective appraisals.

896. In response, RBS Greenwich knowingly and deliberately waived over half of those loans into the pools that it purchased. RBS Greenwich then securitized the waived-in loans into RMBS and eventually sold those RMBS to investors like VRS. RBS Greenwich did not disclose that its RMBS included loans that did not meet its underwriting standards and that did not exhibit compensating factors sufficient to justify its inclusion in the security. Instead, RBS Greenwich represented

to investors, including VRS, that the loans underlying its RMBS met underwriting guidelines.

897. Not only did RBS Greenwich purposely securitize a substantial portion of the loans Clayton identified as failing to meet underwriting standards, it also deliberately avoided testing the remainder of the loans in pools it purchased and then securitized. By putting its head in the sand, RBS Greenwich recklessly disregarded overwhelming evidence that a significant portion of the loans it securitized did not meet underwriting standards and that RBS Greenwich's representations in its Offering Documents to the contrary were false.

898. In November 2013, the SEC charged RBS Greenwich with misleading investors by making false statements in Offering Documents for one of the very securities that is the subject of this action, the SVHE 2007-OPT1 Certificates. Specifically, RBC Greenwich had represented in Offering Documents that the mortgages backing that multibillion-dollar offering were "generally" in compliance with the lender's underwriting guidelines. In reality, the SEC charged that RBS Greenwich knew or should have known "that almost 30% of the loans backing the offering deviated so much from the lender's underwriting guidelines that they should have been kicked out of the offering entirely."

899. RBS Greenwich agreed to purchase the pools of loans backing the SVHE 2007-OPT1 Certificates in April 2007, subject to the originator's requirement that the transaction close in under a month, before the end of the fiscal year. Owing to the time constraints, RBS Greenwich decided to reduce the sample size for due

diligence on the SVHE 2007-OPT1 Certificates offering, from the 25% (approximately 2800 loans) originally recommended by RBS Greenwich's head of Diligence to about 9% (approximately 1000 loans). RBS Greenwich's practice at the time was to sample at least 25% of the loans contained in whole loan purchases.

900. In early 2007, RBS Greenwich began increasing the amount of "valuation diligence" it conducted by employing a third party vendor to conduct automated valuation model appraisals on larger samples of loans from whole loan pools, in order to assess whether a loan originator's claimed appraisal values were supported by the collateral. But for the SVHE 2007-OPT1 Certificates offering, RBS Greenwich reverted to its less-effective prior practice of only conducting "drive-by" appraisals on a limited number of loans.

901. According to the SEC, RBS Greenwich placed "acute time pressure" on its Due Diligence Firm to complete its review within an abbreviated time frame. At the conclusion of its review, the Due Diligence Firm graded 40% of the loans sampled from the SVHE 2007-OPT1 Certificates pool as failing to meet standards. Even after RBS Greenwich's internal due diligence team revised some of those failing grades, more than 30% of the loans sampled so deviated from standards that they were removed from the wider pool of mortgages backing the security.

902. The rate of deviation for the sampled pool was as much as six times higher than those encountered previously by RBS Greenwich in conducting due diligence on loan pools previously purchased from that originator. Extrapolating the sampled results to the remainder of the 11,000 loans backing the security, RBS

Greenwich knew that the wider mortgage pool contained similar percentages of loans that likewise should have been excluded from the offering.

903. Despite a company policy that required additional due diligence following the discovery of more than 20% of non-conforming mortgages in a given sample, RBS Greenwich moved forward with the SVHE 2007-OPT1 Certificates offering without attempting to exclude **any** additional loan from the wider pool or to enhance disclosure to the investing public concerning the high percentage of loans classified as material exceptions. As a result, investors in the SVHE 2007-OPT1 Certificates offering, including VRS, lost at least $80 million through 2013. The SEC announced the same day its complaint was filed that RBS Greenwich agreed to pay more the $150 million to settle the charges.

904. RBS Greenwich was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors but because RBS Greenwich provided warehouse lines of credit to originators. In fact, the originator of the mortgages backing the SVHE 2007-OPT1 Certificates was a "core warehouse and securitization customer" of RBS Greenwich.

905. These warehouse lines provided RBS Greenwich with a guaranteed stream of loans it could then purchase and securitize but also opened RBS Greenwich to risk if the originators were unable to sell the loans. Therefore, it was critical for RBS Greenwich that the loans were purchased so that the credit it extended to the originators was paid off. In the case of the SVHE 2007-OPT1 Certificates, RBS

Greenwich's lead banker on the offering admitted in an April 14, 2007 email that the roughly $3.5 billion in loans that RBS Greenwich purchased from the originator in April 2007 represented a "cleanup" of the originator's warehouse lines, which had included a lot of high LTV ratio loans "they are trying to get rid of."

906. This relationship further incentivized RBS Greenwich to purchase defective loans to get the warehouse lines paid off and then pass those risky loans on to investors in RMBS. As a warehouse lender, RBS Greenwich had a detailed knowledge of the originators' operations, including their underwriting standards and practices, but RBS Greenwich was willing to ignore blatant underwriting failures to ensure its lines of credit to the originators were paid off and it had a steady stream of loans to continue its extremely profitable securitization business.

907. In the same April 14, 2007 email referenced above, RBS Greenwich's lead banker on the offering acknowledged that in enabling the "cleanup" of the originator's warehouse line, RBS Greenwich expected to see improved results from that originator in the future.

908. RBS Greenwich knew that investors like VRS did not have access to the due diligence performed by Clayton or RBS Greenwich's waiver decision process. As a result, RBS Greenwich's statements created a false impression by stating that the loans underlying the RMBS met underwriting standards, while failing to disclose that not all of the loans met the standards outlined in the Offering Documents.

909. RBS Greenwich not only provided bad data to investors in the Offering Documents, RBS Greenwich also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But RBS Greenwich did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

910. RBS Greenwich was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. VRS would not have acquired or held RBS Greenwich's RMBS if RBS Greenwich had accurately represented those securities to the Credit Rating Agencies and in the Offering Documents.

911. RBS Greenwich made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors was so obvious, particularly since RBS Greenwich told investors, including VRS, to rely on the misrepresentations in the Offering Documents and *nothing else*, that RBS Greenwich knew or must have been aware of the danger.

12. UBS

912. According to industry research for 2005, UBS was ranked fifth in the market for underwriters of RMBS in the United States. UBS knowingly included recklessly underwritten loans in its RMBS that failed to meet the applicable standards, systematically disregarded third-party due diligence, and then misrepresented

the quality of those loans to large investors, including VRS and other pension funds, to induce them into purchasing the RMBS.

913. UBS knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information to investors about the securities, particularly pension funds like VRS, and induce them to purchase the securities.

914. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely only on the information in this prospectus and the accompanying prospectus supplement. We have not authorized anyone to provide you with information that is different from that contained in this prospectus and the accompanying prospectus supplement." Nevertheless, UBS chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of VRS and other investors.

915. UBS used Due Diligence Firms to perform due diligence on the pools of loans it purchased from originators. But rather than use the due diligence to ensure the quality of the mortgages that it securitized into RMBS were consistent with the representations UBS made in the Offering Documents, UBS largely ignored the results of that due diligence and included loans in its RMBS that were identified as failing to meet underwriting standards. UBS then sold the RMBS to investors such as VRS, knowingly misrepresenting the quality of the loans in the Offering Docu-

ments and failing to disclose that many of the underlying loans failed due diligence testing.

916. For example, Clayton tested samples of loan pools for UBS prior to UBS purchasing the loans. Clayton notified UBS that 20% of the loans tested did not comply with underwriting guidelines and did not have compensating factors that justified approval and/or had defective appraisals. In response, UBS knowingly and deliberately waived 33% of those loans into the pools that were purchased. UBS then securitized the waived-in loans into RMBS, which were then sold to investors like VRS.

917. UBS purposely and knowingly did not disclose that, (1) despite UBS's representations, a substantial portion of the mortgages actually failed to meet underwriting standards and had been identified as unqualified for securitization by Clayton; and (2) UBS waived the disqualified loans into the pool anyway and passed on the unforeseen risk associated with them to VRS and other unsuspecting investors who reasonably relied on the misrepresentations in the Offering Documents.

918. Not only did UBS purposely securitize a substantial portion of the loans Clayton identified as failing to meet underwriting standards, it also deliberately avoided testing the remainder of the loans in the pools it purchased and securitized. By purposely avoiding confirmation of what it knew to be true, UBS recklessly disregarded that a significant portion of the loans it securitized did not meet underwriting standards and that UBS's representations in its Offering Documents were false.

919. UBS knew that investors like VRS did not have access to the due diligence performed by third parties like Clayton and did not have access to UBS's waiver decision process. As a result, UBS's statements in the Offering Documents created a false impression by stating that the loans underlying the RMBS met underwriting standards, while failing to disclose that a substantial portion of the loans did not meet the standards outlined in the Offering Documents.

920. UBS not only provided bad data to investors in the Offering Documents, it also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But UBS did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

921. UBS was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. UBS knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated.

922. UBS made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors was so obvious, particularly since UBS told investors, including VRS, to rely on the misrepresentations in the Offering Documents and *nothing else*, that UBS knew or must have been aware of the danger.

13. WaMu

923. WaMu knowingly misrepresented the quality of loans in its RMBS to induce large investors, including VRS and other pension funds, into purchasing the securities. WaMu knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information to investors, particularly pension funds like VRS, about the securities and induce them to purchase the securities.

924. The Offering Documents explicitly induced reliance from potential investors by stating, "You should rely only on the information provided in this prospectus and the accompanying prospectus supplement, including information incorporated by reference. We have not authorized anyone to provide you with different information." Nevertheless, WaMu chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of VRS and other investors.

925. As cited by the Senate Permanent Subcommittee on Investigations, WaMu conducted a study in 2003 to explore what WaMu could do to increase sales of Option ARMs, its "most profitable mortgage loan." The internal study revealed that many WaMu brokers felt those mortgages were "bad for customers," a mindset identified in the study as a key obstacle in expanding sales of the product. Despite that challenge, Option ARM origination at WaMu soared from $30 billion in 2003 to $68 billion in 2004, when they accounted for more than half of WaMu's originations.

WaMu designed compensation incentives that rewarded loan personnel for issuing a large volume of higher risk loans, valuing speed and volume over loan quality.

926. Then in 2004, WaMu launched a five-year strategic plan to dramatically grow the bank's revenues and profits. According to the Senate Investigations Report that was released in April 2011, this five-year plan included growing its asset base and revenues by approximately 10% per year while limiting expense growth to about 5%. WaMu's Chief Executive Officer, Kerry Killinger, explained, in a June 1, 2004 memorandum, that this plan would involve "significant risk taking," and that "there is a good opportunity to expand the origination of non-prime residential first and second mortgages through both our consumer banking and home loan stores." In other words, WaMu's growth plan was based, at least in part, on originating more subprime loans.

927. WaMu's financial targets required its subprime mortgage subsidiary, the Long Beach Mortgage Company ("**Long Beach**"), to originate $30 billion in subprime mortgages in 2005 and $36 billion in 2006. This aggressive expansion necessarily reduced WaMu's ability to appropriately assess risk.

928. An internal audit dated September 21, 2005 (but not publicly disclosed until April 2011 with the Senate Investigations Report) found significant problems in Long Beach's loan underwriting practices, including, ignoring underwriting guidelines; using unverified income or the unsupported exclusion of debt items in the debt-to-income calculation in order to grant exceptions to the guidelines; failing to complete the loan approval forms documenting the exceptions granted in 60% of

the files reviewed, and enabling employees without documented authority to approve loans that required overriding the controls put into place within the loan origination system.

929. Prior to WaMu's failure and closure by the Office of Thrift Supervision in 2008, WaMu management was also provided with compelling evidence of deficient lending practices in internal emails, audit reports, and reviews. Internal reviews indicated specific failures in WaMu's loan origination and underwriting practices. These failures included non-compliance with underwriting standards, and borrower fraud and misrepresentations by others involved in the loan origination process with respect to the information provided for loan qualification purposes.

930. For example, Fay Chapman, WaMu's Chief Legal Officer from 1997 to 2007, recalled that on one occasion,"[s]omeone in Florida made a second-mortgage loan to O.J. Simpson, and I just about blew my top, because there was this huge judgment against him from his wife's parents." When she asked how they could possibly close the loan, "they said there was a letter in the file from O.J. Simpson saying 'the judgment is no good, because I didn't do it.'"

931. In another instance, a borrower claimed a six-figure income as a mariachi singer. Since the WaMu supervisor was unable to verify the singer's income, he had the singer photographed in front of the singer's home dressed as a mariachi singer. This photo went into the file as evidence supporting WaMu's decision to approve the loan.

932. Internal reviews of two high volume WaMu loan centers described "extensive fraud" by employees who "willfully" circumvented bank policies. A WaMu review of internal controls to stop fraudulent loans from being sold to investors described them as "ineffective." A loan consultant at WaMu from September 2003 through 2005 explained that many appraisers received kickbacks from loan consultants to reach certain values. And eAppraiseIT vice-president Anthony Merlo testified, "[WaMu] wanted us to rotate primarily through their vetted and approved appraiser panel, and pay them what that appraiser pretty much demanded, within reason."

933. Despite knowing these failures had occurred, WaMu securitized the mortgages and did not disclose any of this information to investors in the RMBS. Further, WaMu senior managers knowingly included delinquent loans in some of the RMBS WaMu securitized. This fact was also not disclosed to investors.

934. Thus, WaMu knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. WaMu not only provided bad data to investors in the Offering Documents, it also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But WaMu did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

935. WaMu was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. VRS would not have acquired or held WaMu RMBS if WaMu had accurately repre-

sented those securities to the Credit Rating Agencies and in the Offering Documents.

936. WaMu knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated. In this way, WaMu was able to shed the risk of poorly underwritten mortgages onto VRS and other investors.

937. WaMu made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors was so obvious, particularly since WaMu told those investors, including VRS, to rely on the misrepresentations in the Offering Documents and *nothing else*, that WaMu knew or must have been aware of the danger.

14. Barclays

938. Barclays was one of the largest banks securitizing mortgage-backed securities before the 2008 financial crisis.[1]

939. Barclays knowingly included recklessly underwritten loans in its RMBS that failed to meet the applicable standards, systematically disregarded third-party due diligence, and then misrepresented the quality of those loans to investors to induce them into purchasing the RMBS.

[1] For example, in 2005, Barclays securitized $27.1 billion in mortgage-backed securities, putting it in the top ten banks in this category.

940. In order to ensure a steady supply of mortgage loans to securitize, Barclays acquired a large subprime mortgage originator, EquiFirst Corporation, from Regions Financial Corporation for $76 million in 2007. Acquiring EquiFirst allowed Barclays to control underwriting standards at the origination level and ensure a stream of loans to securitize and sell to investors like VRS. In a press release regarding the EquiFirst acquisition, Barclays stated that EquiFirst "will be combined with Barclays mortgage servicing and capital markets capabilities to create a vertically integrated mortgage franchise. Barclays believes that a vertically integrated mortgage franchise can deliver significant synergies through linking our established capital markets business with servicing and origination capabilities."

941. Barclays's efforts to obtain a large part of the subprime market were very successful. According to Barclays's 2010 Form 20-F:

> Barclays activities within the U.S. mortgage sector during the period 2005 through 2008 included: sponsoring and underwriting of approximately $39bn of private-label securitizations; underwriting of approximately $34bn of other private-label securitizations; sales of approximately $150m of loans to government sponsored enterprises (GSEs); and sales of approximately $7bn of loans to other-including loans sold in 2009. Some of the loans sold were originated by a Barclays subsidiary.

942. Barclays, by its own admission, was a vertically integrated operation. Indeed, Barclays operated – and made huge profits – on virtually every level of the securitization process, acting as originators, sponsors, sellers, servicers, depositors, and underwriters. Barclays's near-complete vertical integration allowed it to control the securitization machine, and provided Barclays a direct window into the extent of the fraudulent practices alleged here.

943. Barclays knowingly misrepresented the quality of its RMBS to investors, including VRS, with the intent to induce those investors to purchase its RMBS. Barclays knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated. These Offering Documents were created to give information about the securities to investors, particularly pension funds like VRS, and to induce them to purchase the securities. The Offering Documents explicitly induced reliance from potential investors by stating that readers "should rely only on the information contained" therein. Nevertheless, Barclays chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of investors like VRS.

944. Barclays used Due Diligence Firms to perform due diligence on the pools of loans it purchased from originators. But rather than use the due diligence to ensure the quality of the mortgages that it securitized into RMBS were consistent with the representations Barclays made in the Offering Documents, Barclays largely ignored the results of that due diligence and included loans in its RMBS that were identified as failing to meet underwriting standards. Barclays then sold the RMBS to investors such as VRS, knowingly misrepresenting the quality of the loans in the Offering Documents and failing to disclose that many of the underlying loans failed due diligence testing.

945. For example, Clayton tested samples of loan pools for Barclays prior to Barclays purchasing the loans. Clayton notified Barclays that 27% of the loans tested did not comply with underwriting guidelines and did not have compensating fac-

tors that justified approval and/or had defective appraisals. In response, Barclays knowingly and deliberately waived 43% of those loans into the pools that were purchased. Barclays then securitized the waived-in loans into RMBS, which were then sold to investors like VRS.

946. Barclays purposely and knowingly did not disclose that, (1) despite Barclays's representations, a substantial portion of the mortgages actually failed to meet underwriting standards and had been identified as unqualified for securitization by Clayton; and (2) Barclays waived the disqualified loans into the pool anyway and passed on the unforeseen risk associated with them to unsuspecting investors like VRS who reasonably relied on the misrepresentations in the Offering Documents.

947. Not only did Barclays purposely securitize a substantial portion of the loans Clayton identified as failing to meet underwriting standards, it also deliberately avoided testing the remainder of the loans in the pools it purchased and then securitized. By purposely avoiding confirmation of what it knew to be true, Barclays recklessly disregarded that a significant portion of the loans it securitized did not meet underwriting standards and that Barclays's representations in its Offering Documents were false.

948. Barclays knew that investors like VRS did not have access to the due diligence performed by third parties like Clayton and did not have access to Barclays' waiver decision process. As a result, Barclays's statements in the Offering Documents created a false impression by stating that the loans underlying the

RMBS met underwriting standards, while failing to disclose that a substantial portion of the loans did not meet the standards outlined in the Offering Documents.

949. Barclays not only provided bad data to investors in the Offering Documents, it also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But Barclays did not even stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

950. Barclays was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. VRS would not have acquired or held Barclays RMBS if Barclays had accurately represented those securities to the Credit Rating Agencies and in the Offering Documents. Barclays knowingly and purposely used misrepresentations and pressure to obtain inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated. In this way, Barclays was able to shed the risk of poorly underwritten mortgages onto investors like VRS.

951. In December 2011, the Financial Industry Regulatory Authority announced that it had fined Barclays $3 million for “misrepresenting delinquency data and inadequate supervision in connection with the issuance of [RMBS].” Specifically, FINRA found that "from March 2007 through December 2010, Barclays misrepresented the historical delinquency rates for three subprime RMBS it underwrote and sold.” The inaccurate delinquency data posted on Barclays’s website was referenced as historical information in five subsequent RMBS investments and con-

tained errors significant enough to affect an investor's assessment of subsequent securitizations.

952. According to FINRA, from March 2007 through December 2010, Barclays misrepresented the historical delinquency rates for subprime RMBS it underwrote and sold. Barclays posted inaccurate delinquency data on its website and used that same incorrect information as historical information in five subsequent RMBS investments. FINRA found these errors to be significant enough to affect an investor's assessment of subsequent securitizations.

953. Brad Bennett, FINRA Executive Vice President and Chief of Enforcement, said, "Barclays did not have a system in place to ensure that delinquency data posted on its website was accurate; therefore, investors were supplied inaccurate information to assess future performance of RMBS investments."

954. Barclays consented to the entry of FINRA's findings, providing strong evidence that Barclays systematically misrepresented the quality of the mortgage loans underlying its RMBS offerings.

955. Barclays made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors, like VRS, was so obvious, particularly since Barclays told investors, like VRS, to rely on the misrepresentations in the Offering Documents *and nothing else*, that Barclays knew it or must have been aware of the danger.

15. HSBC

956. HSBC knowingly misrepresented the quality of its RMBS to induce large investors, like VRS, into purchasing the securities. HSBC knew full well that the lien data, owner-occupancy statistics, and loan-to-value ratios reported in its Offering Documents were materially misstated.

957. These Offering Documents were created to give information about the securities to investors, particularly pension funds like VRS, and to induce them to purchase the securities. The Offering Documents explicitly induced reliance from potential investors by stating that readers "should rely only on the information contained" therein. Nevertheless, HSBC chose to falsify the information presented in the Offering Documents to maximize its own profits at the expense of investors like VRS.

958. VRS was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors, but also because VRS provided warehouse lines of credit to originators that needed to be repaid.

959. HSBC included recklessly underwritten loans in its RMBS that failed to meet the applicable standards, systematically disregarded third-party due diligence, and then misrepresented the quality of those loans to investors to induce them into purchasing the RMBS.

960. Like many financial institutions, HSBC used Due Diligence Firms to perform due diligence on the pools of loans it purchased from originators. But rather than use the due diligence to ensure the quality of the mortgages that it securitized

into RMBS were consistent with the representations HSBC made in the Offering Documents, HSBC largely ignored the results of that due diligence and included loans in its RMBS that were identified as failing to meet underwriting standards. HSBC then sold the RMBS to investors such as VRS, knowingly misrepresenting the quality of the loans in the Offering Documents and failing to disclose that many of the underlying loans failed due diligence testing.

961. For example, Clayton tested samples of loan pools for HSBC prior to HSBC purchasing the loans. Clayton notified HSBC that 27% of the loans tested did not comply with underwriting guidelines and did not have compensating factors that justified approval and/or had defective appraisals. In response, HSBC knowingly and deliberately waived 62% of those loans into the pools that were purchased. HSBC then securitized the waived-in loans into RMBS, which were then sold to investors like VRS.

962. HSBC purposely and knowingly did not disclose that, (1) despite HSBC's representations, a substantial portion of the mortgages actually failed to meet underwriting standards and had been identified as unqualified for securitization by Clayton; and (2) HSBC waived the disqualified loans into the pool anyway and passed on the unforeseen risk associated with them to unsuspecting investors like VRS who reasonably relied on the misrepresentations in the Offering Documents.

963. Not only did HSBC purposely securitize a substantial portion of the loans Clayton identified as failing to meet underwriting standards, it also deliber-

ately avoided testing the remainder of the loans in the pools it purchased and then securitized. By purposely avoiding confirmation of what it knew to be true, HSBC recklessly disregarded that a significant portion of the loans it securitized did not meet underwriting standards and that HSBC's representations in its Offering Documents were false.

964. HSBC was motivated to include mortgages that were woefully below the represented standards in the Offering Documents not only because it stood to profit from the sale of the RMBS to investors, but also because HSBC provided warehouse lines of credit to originators that needed to be repaid. These warehouse lines provided HSBC with a guaranteed stream of loans it could then purchase and securitize but also opened HSBC to risk if the originators were unable to sell the loans. Therefore, it was critical for HSBC that the loans were purchased so that the credit it extended to the originators was paid off.

965. This relationship further incentivized HSBC to purchase defective loans to get the warehouse lines paid off and then pass those risky loans on to investors in RMBS. As a warehouse lender, HSBC had a detailed knowledge of the originators' operations, including their underwriting standards and practices, but HSBC was willing to ignore blatant underwriting failures to ensure its lines of credit to the originators were paid off and to maintain a guaranteed stream of loans to securitize.

966. HSBC knew that investors such as VRS did not have access to the due diligence performed by HSBC or third parties like Clayton and did not have access

to HSBC's waiver decision process. As a result, HSBC's statements in the Offering Documents created a false impression by stating that the loans underlying the RMBS met underwriting standards, while failing to disclose that a substantial portion of the loans did not meet the standards outlined in the Offering Documents.

967. HSBC not only provided bad data to investors in the Offering Documents, HSBC also fed the same misrepresentations to the Credit Rating Agencies to ensure it would get AAA ratings for its RMBS. But HSBC did not stop there. It also pressured the Credit Rating Agencies to give its RMBS favorable ratings.

968. HSBC was desperate to get AAA ratings for its RMBS because it knew that investors like VRS relied on those ratings when making investment decisions. HSBC knowingly and purposely used misrepresentations and pressure to get inflated ratings for its RMBS for the express purpose of luring VRS and others to invest in RMBS that were significantly riskier than their ratings indicated.

969. HSBC made highly unreasonable misrepresentations that involved not merely simple or even inexcusable negligence, but an extreme departure from the standards of ordinary care, constituting severe recklessness. The danger of misleading investors, like VRS, was so obvious, particularly since HSBC told investors, like VRS, to rely on the misrepresentations in the Offering Documents and *nothing else*, that HSBC knew it or must have been aware of the danger.

F. VRS's Damages

970. Relator has determined that 38% of loans underlying the RMBS purchased by VRS were misrepresented in terms of at least one key risk indicator (e.g., simultaneous second liens, owner occupancy rates, or loan to value ratios). These

misrepresentations concealed the true nature of the risk associated with the RMBS that Defendants structured and issued.

971. VRS suffered approximately $383.91 million in total losses on its investments in the RMBS at issue in this Complaint. The damages suffered by VRS due to Defendants' fraudulent misrepresentations can be broken down into three categories: (a) realized losses, (b) lost interest, and (c) lost profits.

972. VRS's realized losses are calculated based on the difference between each VRS-purchased RMBS' on the date of purchase, and the value of the same RMBS at the date of sale by VRS, adjusting for any partial sales and accounting for any principal payments accrued to each specific RMBS during the period of VRS ownership. Realized losses calculated in this manner total approximately $250.66 million.

973. When available, lost interest due to principal write-downs and interest shortfalls are compounded using each security's then-current coupon rate, starting when the write-down or shortfall occurred, and ending on the date when the RMBS was sold. Lost interest damages calculated in this manner total approximately $1.28 million.

974. Lost profits are calculated by compounding realized losses using the annual rates of return for VRS's total investment portfolio, starting from each RMBS date of sale by VRS and compounded forward to September 15, 2014. For example, if a security was sold in June 2010 with a loss of $1 million, lost profit is calculated on what VRS would have earned with the $1 million had it rolled the money

back into its investment portfolio in June 2010 and continued investing the proceeds until September 15, 2014. Damages relating to lost profits will continue to accrue up to the judgment date. More detailed methods may yield higher lost profit estimates. Lost profits calculated in this manner total approximately $131.97 million.

975. Relator's regression analysis – analyzing the correlation among misrepresentation, delinquency, and foreclosure – shows that misrepresentation in the three aspects discussed above is a statistical indicator of both loan delinquency and property foreclosure. This is after controlling for many other loan features such as reported second, reported owner occupancy, low or no doc loan, refinance, credit score, original balance, LTV ratio at origination, prepayment penalty, complex, ARM, original interest rate, and interest rate × ARM. This means that misrepresented loans and misrepresented securities experienced delinquency, default, and value loss at a rate that could have been anticipated had they been represented accurately in the first place.

G. *Nullum tempus ocurrit regi*

976. The Commonwealth is not barred by the limitations periods applicable to the common law causes of action stated herein. Pursuant to Va. Code § 8.01-231, a statutory adoption of the common law doctrine *nullum tempus occurrit regi* ("no time runs against the king"), no statute of limitations which shall not in express terms apply to the Commonwealth shall be deemed a bar to any proceeding by or on behalf of the same. The limitations periods otherwise applicable to the common law causes of action stated herein expressly do not apply to the Commonwealth.

H. Defendants' Concealment of Their False Claims

977. VRS did not know, nor reasonably could have known, the facts material to the claims asserted herein until Relator completed and disclosed its analysis in January 2014.

978. Defendants actively and fraudulently concealed facts demonstrating that they knew the false nature of the Offering Documents. VRS did not know and could not have known that the Defendants failed to follow their stated underwriting guidelines and knowingly made false representations in the Offering Documents until Relator opened and completed its investigation into these documents.

979. The Financial Crisis Inquiry Commission and the U.S. Senate Permanent Subcommittee on Investigations released the results of their investigations in September 2011. The investigations revealed the role of Clayton.

980. The government reports, however, did not disclose which features of the loans were problematic, nor whether the loan deficiencies were breaches of internal criteria or the criteria disclosed in Offering Documents. Additionally, the investigation released only aggregate bank information and not the specific deal-level information that would allow investors to determine if they had purchased a security with potential issues. In sum, while these reports reported the findings of the most thorough public investigations to date, they did not provide nearly the detailed evidence required to allow specific RMBS holders to discover their losses or attempt a recovery of the same.

981. Moreover, VRS did not and could not have known the nature and extent of damages caused to VRS by Defendants' knowing misrepresentations until

Relator completed and confidentially disclosed its analysis to the Commonwealth pursuant to Va. Code § 8.01-216.5(B) in January 2014.

V. CAUSE OF ACTION

COUNT 1: VIOLATIONS OF THE VIRGINIA FRAUD AGAINST TAXPAYERS ACT Va. Code § 8.01-216.1 *et seq*. (AGAINST ALL DEFENDANTS, SEVERALLY)

982. Plaintiff repeats and re-alleges each and every allegation set forth in this Complaint as if set forth herein at length.

983. As a result of the misconduct alleged herein, Defendants knowingly presented, or caused to be presented, false or fraudulent claims to VRS officers and employees for payment or approval in violation of Va. Code § 8.01-216.3(A)(1).

984. As a result of the misconduct alleged herein, Defendants have knowingly made, used, or caused to be made or used false records or statements material to a false or fraudulent claim to VRS in violation of Va. Code § 8.01-216.3(A)(2).

985. VRS, for which the Commonwealth is responsible, has sustained approximately $383.91 million in losses because of Defendants' conduct and violations set forth herein.

986. This is a claim for treble damages and civil penalties pursuant to Va. Code § 8.01-216.3(A)(7).

987. VRS, unaware of the false or fraudulent nature of these claims, paid such claims by purchasing the RMBS identified herein when it would not otherwise have done so if it had known the truth.

988. By reason of its purchases of the misrepresented RMBS, VRS has been damaged, and continues to be damaged in a substantial amount to be proven at trial, but not less than $383.91 million, to be trebled in accordance with Va. Code § 8.01-216.3.

COUNT 2: ACTUAL FRAUD

989. This is an action by the Commonwealth to recover monies obtained by Defendants as a result of fraud upon the Commonwealth.

990. Plaintiff repeats and re-alleges each and every allegation set forth in this Complaint as if set forth herein at length.

991. As identified in this Complaint, Defendants made many representations regarding the nature, quality, characteristics, and risk profile of residential mortgage pools backing RMBS. Defendants' representations that are the subject matter of this Petition have been identified herein on a security by security basis.

992. Defendants' representations identified in this Complaint were both material and false.

993. Defendants knew, at all times relevant to this Complaint, that the representations identified in this Complaint were false or, at a minimum, made the representations recklessly as positive assertions without knowledge of their truth.

994. Defendants made the false and material representations identified in this Complaint with the intent to mislead VRS and other investors, such that VRS and other investors would rely upon them and act upon them by purchasing the RMBS identified in this Complaint. Alternatively, Defendants had reason to expect that VRS would rely and act upon the misrepresentations identified herein.

995. VRS, unaware of the false nature of the Defendants' representations, actually, justifiably, and detrimentally relied on Defendants' representations when purchasing the RMBS identified in this Complaint. VRS would not have purchased the RMBS identified herein if it had known the truth regarding the subject matter of Defendants' misrepresentations.

996. As a proximate and foreseeable result of Defendants' misrepresentations, and as more fully set forth in the allegations incorporated herein, VRS suffered substantial harm, including lost profits, in an amount to be proven at trial but not less than $383.91 million.

COUNT 3: CONSTRUCTIVE FRAUD

997. This is an action by the Commonwealth to recover monies paid to Defendants as a result of a constructive fraud upon the Commonwealth.

998. Plaintiff repeats and re-alleges each and every allegation set forth in this Complaint as if set forth herein at length.

999. Defendants made many representations regarding the nature, quality, characteristics, and risk profile of residential mortgage pools backing RMBS. Defendants' representations that are the subject matter of this Complaint have been identified herein on a security by security basis.

1000. Defendants' representations identified in this Complaint were material and false.

1001. To the extent it may be found that Defendants did not know their material representations were false, Defendants should reasonably have known that

the representations were false and had no reasonable ground to believe them to be true.

1002. Defendants made the representations identified in this Complaint with the intent that VRS and other investors would rely upon them and act upon them by purchasing the RMBS identified in this Complaint. Alternatively, Defendants had reason to expect that VRS would rely and act upon the misrepresentations identified herein.

1003. VRS, unaware of the false nature of the Defendants' representations, justifiably and detrimentally relied on Defendants' representations when purchasing the RMBS underwritten by Defendants. VRS would not have purchased the RMBS identified herein if it had known the truth regarding the RMBS identified herein.

1004. As a proximate and foreseeable result of Defendants' negligent misrepresentations, and as more fully set forth in the allegations incorporated herein, VRS suffered substantial harm, including lost profits, in an amount to be proven at trial but not less than $383.91 million.

VI. PRAYER FOR RELIEF

WHEREFORE, the Commonwealth prays that judgment be entered against Defendants, severally, ordering that:

1. Defendants pay the Commonwealth all actual, compensatory, comprehensive, and special damages, including $1.15 billion (three times the amount of damages alleged herein as $383.91 million), plus a civil penalty of not less than

$5,500 and not more than $11,000 per violation, for losses sustained by the Commonwealth because of Defendants' violations;

2. Defendants pay the Commonwealth an amount equal to all expenses of this action, including without limitation, reasonable attorneys' fees, reasonable expert fees, and costs of investigation;

3. Relator be awarded the appropriate Relator's share allowable pursuant to Va. Code § 8.01-216.7.

4. Relator be awarded an amount for reasonable expenses plus reasonable attorneys' fees and costs pursuant to Va. Code § 8.01-216.7(A-B).

5. The Commonwealth be awarded pre-judgment interest, as appropriate, pursuant to Va. Code § 8.01-382.

6. The Commonwealth, VRS, and Relator be awarded such other, further, or different relief as the Court deems just and proper.

VII. JURY TRIAL DEMAND

The Commonwealth hereby demands trial by jury.

Dated: September 16, 2014

Respectfully submitted,

COMMONWEALTH OF VIRGINIA

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